

JANUARY 30, 1978

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TIME

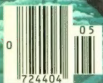
MIDDLE EAST
Walkout

EGYPT

Trying to Build Confidence



Treasury
Secretary
Blumenthal





"He couldn't get to a glass shop, so we got a glass shop to come to him."

"When it's a broken window, that's my department. So I handled John Young's claim."

"And when he called to say he didn't have time to have his broken windshield fixed at a glass shop, we called the shop and had them replace the glass right on the parking lot of the school where he taught."

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STILL NUMBER ONE.

**Despite all the videorecorders that have come out,
Sony still sells more than anyone else.**

A couple of years ago, we were the only home video recorder.

(A videorecorder, just in case you don't know, is something that plugs into your TV set and enables you to tape shows for playback.)

Then, everyone began to play follow the leader.

Now, lo and behold, there are about half a dozen other videorecorders on the market.

But there's one thing that none of them has. That try as they may, they can't copy. The one thing that's the reason why we're still the most popular videorecorder:

The Sony name and all the things it stands for.

For one thing, Sony stands for 20 years of experience and reliability in videorecording. We've sold more videorecorders than anyone.

And our own experience isn't just in terms of consumers, but professionals also. In fact, we've sold not only more videorecorders to consumers, but also to broadcasters and industry than any other consumer videorecorder manufacturer.

We make our own videorecorders.

And our own parts.

Most of our competitors' equipment is made by other people.

Our tape vs. their tape.

Sony is also the only consumer manufacturer who makes their own videotape. Which is how we assure consistent high-quality performance from our videorecorder.

And speaking of performance, our cassettes and recorder are designed in such a way as to put less stress on the tape itself than most of the others. (Fewer turns inside is one of the reasons why.) This helps assure greater picture stability.

What's more, our cassettes are smaller than those others. Which makes them easier to handle. As well as easier to store. And when your supply runs out, you'll be happy to know we just built a multimillion-dollar plant here in the United States, to make sure there's a steady supply of tapes available to you.

Also, you might be interested to know that there's a wide variety of *prerecorded* material available on Betamax cassettes.

The TV behind the videorecorder.

Another reason for our success is the TV sitting behind the Sony Betamax.*

It's called a Sony Trinitron,* and for years people have been singing the praises of its unique picture.

So it's no wonder that when we introduced our Betamax, consumer acceptance was so great. People just naturally expected the same Sony quality that they had been getting for years with Trinitron.

And, as you can see for yourself from our overwhelming success, they're getting it.



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A selection of prerecorded programs is available from: Time-Life Video, P.O. Box 644, Paramus, N.J. 07652.

A Letter from the Publisher

In his messages to Congress and in his budget, Jimmy Carter has just set forth his economic policy for 1978. He hopes that it will prove to the country that his grasp of fiscal reality is firmer than it sometimes appears. Says Senior Editor George Church, who wrote this week's cover story: "Carter's severe problem is that he has convinced most of the business community that he doesn't know what he's doing."

When it comes to business, Church knows what he is doing. He has been writing about the economy for 23 years. While working as a copy boy at the New York Times, he learned that the *Wall Street Journal* was hiring people without extensive economics backgrounds, and he applied for a job. Says Church: "To my surprise, I was hired, and to my even greater surprise, I found that I was actually interested in business." After 14 years at the *Journal*, he joined TIME in 1969, and has since been writing and editing in our Business section.

"Writing about business is an acquired taste," Church admits. "The technical terms and the jargon can be terrifying, of course, but economic events do proceed by a certain logic. Jobs, prices, taxes: those are the subjects everyone cares about,

and they are certainly what this week's story is about."

Church drew upon reporting from Washington Correspondent William Blaylock, who interviewed some two dozen experts on the current state of the economy, and Economic Correspondent George Taber, who interviewed Administration policymakers. Taber also compiled background on Treasury



Church reviews the finer points of economics

Secretary Michael Blumenthal and found that "it's impossible to spend more than five minutes around the man and not call him Mike. Mr. Secretary just wouldn't sound right." In addition to conducting interviews at the Treasury, Taber spent some time in Blumenthal's limousine, chatting with the Secretary as he went from one meeting to another. In the course of those drives, Taber learned that in Secret Service lingo, Blumenthal is known as "Fencing Master," and the Treasury as "Castle." Besides talking freely about his economic views, Blumenthal obviously enjoyed recalling his early years, telling tales about working as a casino shill and a fighting man for a strip show in Nevada," says Taber. "After stories like that, it was difficult to turn the interview back to questions about the capital gains tax."

Ralph P. Davidson

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Cover: Illustration by Wilson McLean.



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Are these reports true or false? Are the eye-witnesses reporting what they actually see or what

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UFO X1 TI

First name (include)

Rain. Snow. Stormy weather.
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There's nothing like a wet, slippery day to make you wish you'd stayed home.

But inside Toronado's private world, you *are* home.

You settle into luxurious velour seating, with fold-down center armrests and a "loose cushion" look. Power windows, AM/FM/stereo, and air conditioning are all standard equipment.

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Front-wheel drive puts the engine weight over the drive wheels, for impressive traction in most any weather.

Engine response is smooth and precise, too, thanks to a built-in MISAR mini-computer that continuously fine-tunes engine performance to driving conditions.

Toronado for '78.

Come on inside and experience a private world where the driving weather's always fine.

Oldsmobile
Toronado
Can we build one for you?



Letters

Burt and Clint

To the Editors:

I'm one of the legion of moviegoers (and a lot of us are *not* culturally disfranchised) who like Clint Eastwood movies [Jan. 9]. Why? Because after a tough day of lecturing and sitting through a department meeting on course changes for the 83rd time, I find it fun to watch, in *Gauntlet*, a bus get the hell shot out of it.

Sure it's silly, but so is *Star Wars*. Maybe that's why both movies are fun!

Paul J. Nahin
Durham, N.H.

I never felt culturally disfranchised until I read Richard Schickel's article.



Since I'm neither blue collar nor drive a pickup truck, I thought perhaps Schickel had merely missed me in the overall picture of Mr. Eastwood's audiences. But I can't believe that he never noticed any other women in those long lines outside the theaters. The Eastwood image of strong, quiet masculinity turns on a large female audience, even here in suburbia.

Darlene Broussard
Lincolnwood, Ill.

And then there are those supremely intellectual, upper-class readers of *TIME* who have been known to tear themselves away from *Forbes* or *I, Claudius* and, cunningly disguised in blue collars, sneak off to see *Smokey* and the *Bandit*—twice.

Laura Weig Mathewson
New London, N.H.

So Burt feels he's a "prisoner of his big-screen, good-ole-boy image"? Doesn't he realize we love it? If I were Burt, I wouldn't mess with a sure thing.

Kitty Perry
Pensacola, Fla.

How can Burt Reynolds and Clint Eastwood appeal to the same audience? Reynolds is an ingratiating actor who, because he's fun to watch, can save even

THIS WEEKEND INSTEAD OF QUAFFING COGNAC AT THE CLUB...



COME TO QUÉBEC

And soak up a little French Canadian 'joie de vivre'.

Here's our weekend French kit to help you out.

'Cafés', 'restaurants', 'galeries des arts', 'la forteresse historique'...

And when you see the nearby mountain resorts, try: 'romantique', 'charmante', 'magnifique'... See, it's easy. 'Bon voyage'.

Drive the scenic route or call your travel agent or airline today for special hotel weekend packages.

To take full advantage of the favourable exchange rate between the U.S. and Canadian dollar, we suggest that you exchange your U.S. currency or travellers' checks at a Canadian bank.

Canada
SO MUCH TO GO FOR

In Tokyo...

More than a matter of taste.

The Hotel Okura—patterns of nature, classical expressions of things Japanese woven subtly into a spacious, modern architectural reality.

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"Henry VIII serves not only as a persuasive defense of television now—but also as an exciting promise for its future."
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Letters

the junkiest movie. On the other hand, I can always count on Eastwood to be depressingly tight-lipped and humorless.

*Susan Hayes
Glendale, Calif.*

Richard Schickel beats around the sagebrush in assaying the secret of Eastwood's success. The truth is that a violent society vicariously appreciates violence whether in the streets or on film.

*Steve Marshall
Jacksonville*

I resent your passing off my favorite movie star, Robert Redford, as white bread without the minerals. If he's white bread, I'll take six loaves.

*Gerry Rym
Scarsdale, N.Y.*

Union and Harkness

As a graduate I am amazed but pleased to read your strong support of "quiet, scholarly Union College" (Jan. 9), lately the victim of hockey coach Ned Harkness's most recent sports blitz. The college's president made his first error in hiring a man whose coaching history reads like a Nazi blueprint for conquest.

*Codman Hishop
Captiva, Fla.*

Many alumni had hoped that hockey would emerge at Union the way lacrosse has at Johns Hopkins. Neither is a jock school. Both enjoy excellent academic reputations. Unfortunately the faculty at Union seems to perceive athletic excellence as incompatible with academic excellence. It is comforting, however, to know the college remains a paragon of academic purity to the point of rejecting men who are being accepted by the Ivies.

*Edward C. Dukehart Jr.
Baltimore*

What you failed to mention in your article is the conduct of the team members over the past years. They have verbally abused and even physically threatened anyone who took an opposing point of view (this included me, editors of the campus newspaper and most of the student government). Many players were brought up before the campus conduct committee for repeated acts of vandalism.

*Joseph Millett
New York City*

If Harkness is ex-Coach Harkness, I am ex-alumnus.

*Roger Bombardier, ex-Union 73
Albany*

Peasant Art of China

Robert Hughes dismisses the peasant art of China (Jan. 9) with a sneer. Contemporary Chinese art, however gaudy and ebullient, represents one aspect of

what serious historians will look back on as the most remarkable societal transformation in all human history. Born and raised in prerevolutionary China, I recently visited the People's Republic and was astounded at the unsolvable problems that are being solved.

Peasant art reflects the energy of a grass-roots movement within a long-oppressed society that has moved from feudalism to socialism in one generation. It speaks to the Chinese people at this point—and that's what counts.

*Richard H. Lockwood
Barrington, Ill.*

The Huhshien painter's portrayal of dam builders reveals considerable unrest in Shensi province. The prominently stacked rifles suggest that those construction workers fear imminent ground attack by a hostile force—perhaps militant conservationists or outraged admirers of traditional Chinese painting.

*Richard P. Leavitt
Hartsdale, N.Y.*

More on the Language

I didn't really believe some of the gems attributed to the New York Times in Stefan Kanfer's "State of the Language" Essay (Jan. 2). Then I read in the Times that Marsha Mason had "nothing on her bare feet." Now I believe.

*Mary Ann Lucia
Springfield, Mass.*

If misuse of the word hopefully were the only abuse of the language committed by weather reporters, we could all relax and experience a meaningful learning experience from their communications. The other day a forecaster predicted that it was going "to get warm weather-wise." I'm glad he made that clear.

*Steven R. Goates
Provo, Utah*

The Ph.D. Market

As one of the 9,000 academics who have just returned from the Modern Language Association Convention in Chicago, I found your article "Those Doctoral Dilemmas" (Jan. 9) to be accurate. Another aspect of the Ph.D. employment problem is the plight of those who, due to university and college promotion and tenure quotas, find themselves in spite of excellent records as teachers and scholars back on the job market. Most of the available positions are budgeted for newly created Ph.D.s and doctoral candidates. Many younger colleagues who have landed promising positions will predictably be in this situation in a few more years.

*James V. Wehner
Pittsburgh*

It used to be that a person with a Ph.D. was one whose ability had been proved by the discovery of new knowledge or the

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*Tilt-Wheel Steering makes me feel
like I'm being treated like a lady
when I get in and out of my
New Grand Prix.*

*Barbara Taylor
Denver, Colorado*

Ms. Taylor, manufacturer's representative and boutique owner, is all business when she's on the road. But Tilt-Wheel Steering lets her enter and leave her car like a lady.

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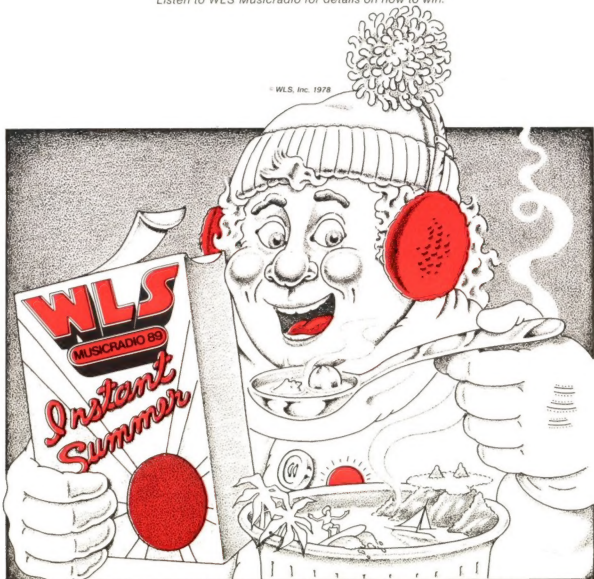
Instant Summer

WLS Musicradio has found a sure way to recover from a cold Chicago winter. It's a nice big helping of Instant Summer. WLS wants to warm you up with 60 free trips to sensuous Acapulco furnished by Elkin Tours.

Winners will fly on a World Airways 747 and enjoy a sun-filled week in April at the beautiful Continental Hotel. A whole week full of sand, surf, recreation and just relaxing in the warm sunshine of Mexico. Sure sounds like winner wonderland, doesn't it?

Listen to WLS Musicradio for details on how to win.

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Letters

successful defense of new ideas. How could 1,847 Ph.D. candidates in one year all discover new knowledge about English or languages, or develop new ideas and theories?

The degree simply no longer means what it used to. Should its possessors expect to get what their predecessors did?

Tom G. Mathew Jr.
Ballwin, Mo.

Less TV Watching

People are watching less television (Jan. 9) because the programs are offensive. Situation comedies, daytime serials and police shows portray family life as abnormal, life as cheap, love as lust and sin as harmless.

The inevitable has happened: viewers are becoming increasingly selective, tuning out in disgust.

P. Stephan Sickler
Philadelphia

By the time sex, violence, ethnics, discrimination, religion and role stereotypes are removed from the programs, there is nothing left but commercials (more than ever). And who wants to look at them?

George F. Platts
Ormond Beach, Fla.

Possibly the decline in TV viewing will finally awaken network executives to the fact that it is actually possible to underestimate the taste of the American public.

Wilson F. Hunt Jr.
Glenview, Ill.

Fonda at Work

In your article "New Year's Mellow Mood" (Jan. 2) you say: "Easy Rider Peter Fonda is out of work." On behalf of Film Artists Management Enterprises, which represents Peter Fonda, I can confirm that he is currently starring in a feature film titled *High Ballin'*, now shooting in Toronto, for Jon Sian Productions, and has been so since Nov. 21, 1977.

Craig T. Rumar
Los Angeles

Arab Investment

It would seem from the offer by a Saudi Arabian to help Bert Lance out of his financial difficulties (Jan. 9) that the Arabs are gradually buying out this country. Let them. The greater an economic investment they have in the U.S., the more likely they are to avoid oil price increases or oil embargoes.

Let's keep our cars running and our mouths shut.

Dan Jacobs
Shawnee Mission, Kans.

Address Letters to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020.



For color reproduction of Wild Turkey painting by Ken Daines, 20" by 20", sent 574 to Box 626 T, Wild Turkey, NY 10005.

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1978 Regal. Outwardly, the shape is clean. Uncluttered. Inside, it's pure magic. In the way it looks. The way it feels. All in all, a dream car.

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Why people love going places in a Buick.



Want more evidence of Regal's down-to-earth qualities? All right. How about the fact that it gives you more trunk room, more head room and more leg room than last year's coupe? How about the new 3.2 litre

(196-cu.-in.) even-firing V-6 that comes as standard equipment? And got, according to the EPA, an estimated 33 mpg in the highway test, 19 in the city, and 23 mpg combined when equipped with a manual transmission (powertrain not available in California). Or an available 231-cu.-in. (3.8 litre) V-6 with automatic transmission that got an estimated 27 mpg in the highway test, 19 in the city and 22 combined. (This V-6 powertrain is required in California and EPA estimates are lower there.) Your mileage may vary depending on how and where you drive, the car's condition, and how it's equipped.

Regal Coupe and Limited models are equipped with GM-built engines supplied by various divisions. See your Buick dealer for details.

Anyway, you get the point. Regal is a pretty amazing combination of the things you want and the things you need in a car. And we suppose we could stop here.

But there's one more little bit



It tells you everything.

of Buick science and magic that really makes our case.

It's the Regal Sport Coupe. And it's powered by a 3.8 litre (231-cu.-in.) turbocharged V-6 engine.

Turbocharged by exhaust gases, it offers the passing power you want from the six cylinders you need.

Incredible.

The new Regal. What it is, is a little science. And a little magic. At your Buick dealer.



BUICK
A little science.
A little magic.



“And now, the big winners in today’s lawsuits...”

Is this where we’re headed? At least 205 Americans have now won damage suits worth a million dollars or more.

In 1962 there was *one*; the next year, *two*; and as recently as 1969, only *three*. But by 1976 the number of million-dollar plus awards ballooned to 43. The stakes have gone up!

Were these awards justified by real losses and clear fault? Or were they grand prizes in a lucrative game of chance

—America's dis-tort-ed tort law system?²

We've reached the point where a person was actually awarded well over a million dollars for "traumatic neurosis" resulting from a false arrest for shoplifting.³

If there were no losers in this game, we might dismiss it as harmless fun, like a lottery. But every payer of liability insurance premiums *is* a loser.⁴ And indirectly all of us lose, as the soaring costs of settlements and insurance force up the prices of the products and services we use.

Justified claims should be fairly compensated. But it's time to look at state laws that permit excessive and unwarranted awards. California has done so with a citizens' commission created to help bring balance back to the system. We urge other states to follow.

Insurers, lawyers, judges—all of us share some blame for this mess. But it is you, the public, who can best begin to clean it up—by making your views known to your elected representatives. Don't underestimate your own influence. Use it, as we are trying to use ours.

Ætna wants insurance to be affordable.

¹Jury Verdict Research Inc. of Cleveland, Ohio, keeps records of million-dollar-plus awards. These, however, are only the tip of the iceberg. Extravagant jury-awarded damages set a standard for out-of-court settlements—the real problem, since most liability cases are settled out of court.

²A "tort," strictly speaking, is a wrongful act (other than breach of contract) for which damages may be recovered in court.

³In this case, a 23-year-old woman was arrested, tried, and found innocent of shoplifting. In turn, she sued the store and its special policeman. To compensate her for "depression, anxiety, nervousness, phobia, fears, and nightmares," the jury awarded her \$1,100,000 in damages. In the past, awards for such intangible damages were reasonably related to actual medical expenses and economic losses. Today, these

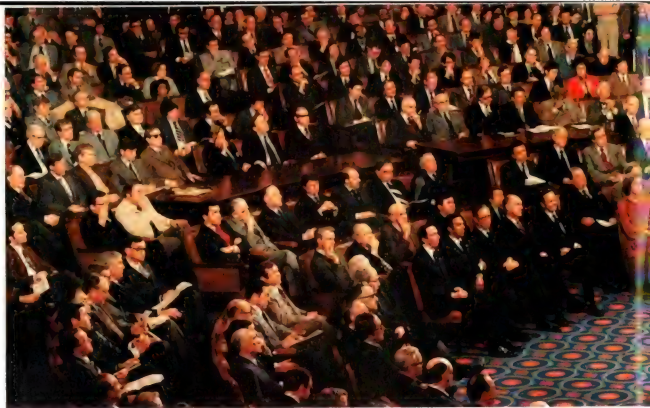
vague terms are often the basis for huge demands. We have recently seen the filing of a \$31 million malpractice suit on the grounds of "mental distress."

⁴Most awards are paid by insurance and any continuing increase in the size or number of awards must be reflected in insurance costs. For example, product liability insurance for manufacturers, and malpractice insurance for physicians, more

than doubled in one recent 12-month period. While these were averages country-wide, for many the increases were even more severe. In California recommended increases for product liability protection for clothing manufacturers jumped 400% in 1976, while malpractice insurance for some physicians increased 347%.



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The President delivering State of Union address: front row is occupied by Supreme Court Justices (far left), Cabinet and Administration officials

Nation

TIME JAN. 30, 1978

Moving Down a Middle Road

In an earnest speech, Carter sketches modest goals for a tranquil time

It was the formal start of his second year in office, and as he stood before the assembled leaders of the three branches of Government in the freshly carpeted chamber of the House of Representatives, flanked by TelePromTers and with a huge American flag as a backdrop, Jimmy Carter was a President with a heap of problems—and a rare opportunity. After a disappointing first year, his ability to inspire the nation was in doubt, and his popularity was continuing to slide in the polls. The ABC-Harris poll placed his approval at 47%; a CBS-New York Times survey gave him a 51% rating. Yet the annual rush of late-January presidential messages, from the State of the Union speech to his budget and economic reports, presented him with a new chance to lift and lead. By most measures, he got off to a good start, turning his State of the Union message to the joint session of Congress into the most effectively delivered speech that he has made as President.

To be sure, the address contained no

clarion call for dramatic action. The President had long ago scooped his own news by disclosing his major legislative plans for the coming year. Nor were there any eloquent phrases, that is simply not his style. Conservatives could grumble about his revived talk of creating "voluntary" restraints on wages and prices. Liberals could complain that many of his populist campaign calls for aiding the poor and rebuilding the cities had apparently vanished.

Indeed, Carter seemed to be searching for a definable position in the broad ideological middle, sending overtures to both right and left as he philosophized about the limitations of Government and called for "a new spirit, a partnership between those of us who lead and those who elect." Citing the lack of any "single overwhelming crisis" facing the nation, he presented a

modest vision of Government's role in relatively tranquil times that may be more in keeping with what the people want than his increasingly outspoken critics realize. But whether the speech could achieve its main aim of building confidence in his ability to manage the U.S. economy remained open to question.

Recognizing the importance of the speech, the President had prepared for it like a prizefighter before a bout. He had his speechwriters supply six successive drafts, which he circulated to various Cabinet officers and aides for comment. He heavily rewrote the final version, with advice from Wife Rosalynn. He repeatedly read the speech into a pocket tape recorder, rehearsed it with a TelePromTer before an audience of close aides, and even took a rare afternoon nap on the day of delivery to avoid any



Stressing a point



(center and right), with Joint Chiefs behind (right); Senators and Congressmen fill other seats—Republicans at far left, Democrats center and right

signs of fatigue. As a result, he looked more rested and relaxed than in some weeks, and he was able carefully to moderate his singsong Southern cadence and stop stepping on his punch lines. In rehearsal the speech had taken barely 30 minutes to deliver; before national television it spun on for 47 minutes—primarily because he was interrupted with applause 43 times.

In its main theme, Carter's address went far beyond his Inauguration-speech views on the limited capability of even a President to instill a new spirit in the nation. He broadened that philosophy this time, declaring: "Government cannot solve our problems. It can't set our goals. It cannot define our vision. Government cannot eliminate poverty or provide a bountiful economy or reduce inflation, or save our cities or cure illiteracy or provide energy... We simply cannot be the managers of everything and everybody." That line drew strong applause.

The theme was repeated as Carter added that "the American people are sick and tired of federal paper work and red tape" and reported progress on "turning the gobbledygook of federal regulations into plain English that people can understand." More applause.

But if, as Carter implied, Government must get off the people's backs and no immediate crisis looms, the current role for the nation's leaders is a more subtle one. Said he: "It becomes the task of leaders to call forth the vast and restless energies of our people to

build for the future." That is precisely the area in which the low-key Carter has yet to prove himself.

He tried to do so with his long-stalled energy bill, and he scolded the Congress for failing to pass it: "I know that it is not easy for the Congress to act, but the fact remains that on energy legislation we have failed the American people." Typically, Carter drew applause from Republicans by declaring that the final energy bill must increase production, then from Democrats by demanding that it must also ensure that "we cut down waste."

On the economy, too, Carter made bows to right and left. There were his proposals for a \$25 billion cut in income taxes and a "lean and tight" budget, which should have pleased conservatives. Yet there was also an expanded program of public service jobs for unemployed young people, and strong endorsement for "early passage of a greatly improved Humphrey-Hawkins bill." While that pronouncement cheered lib-

erals, it was not as sharply in conflict as it seemed with Carter's view of governmental nonintervention. The "improved" Humphrey-Hawkins bill sets a five-year goal of reducing unemployment to 4% (from the current 6.4%), but no longer includes mandatory action by Government to reach that elusive level.

The President was sketchiest in broad-brushing his goals in foreign policy, but he inspired the biggest ovation with a strong pitch for the embattled Panama Canal treaties. Carter broke from his text to declare with a grin: "I have to say that that's very welcome applause."

There was less response as Carter acknowledged past criticism of his open-mouth style of public diplomacy. Yet he was applauded on the Administration's diplomatic role in the Middle East, which he described as "difficult and sometimes thankless and controversial—but it has been constructive, and it has been necessary, and it will continue."

He was most effective when he turned more personal, toward the end, invoking the nation's flag-lowered mourning for Hubert Humphrey. The Senator's "joy and zest of living" provided an example of the "special American kind of confidence, of hope and enthusiasm," which, Carter suggested, ought to become contagious.

A great speech? No. Carter still did not inspire the degree of confidence, hope and enthusiasm of which he spoke. But for this President, and for this occasion, it was far from bad.



Presiding Officers Mondale and O'Neill share an aside



COVER STORY

Trying to Build Confidence

Carter aims to soothe business—but will his plan win it over?

Unemployment is down, inflation up. Houses are selling fast, cars moving slowly. Consumers are spending freely, businessmen deferring plans to build plants or buy machinery. Personal incomes and corporate profits are both rising, while the dollar totters abroad and stock prices nosedive. One survey shows consumer confidence at a five-year high; another puts it at a two-year low.

Such are the jolting contrasts that make the U.S. economy a puzzling picture at the moment—as, indeed, it has been during most of Jimmy Carter's first year in the White House. To the public at large as well as to economists and businessmen, the contradictions appear to mirror an equally mixed-up management of the economy by the Carter Administration. Policy zigged from talking up

a tough tax reform to abandoning most of it, zagged from professing unconcern about the dollar's slide to intervening actively in currency markets to prop up the greenback. Noting Carter's propensity for listening first to one economic adviser, then to another, Washington was began quoting, accurately or not, a scathing description of Franklin Roosevelt supposedly offered by Economist John Maynard Keynes: "The President is like a big, fluffy pillow. He bears the imprint of the last person who sat on him."

More important, businessmen from Wall Street boardrooms to Main Street hardware shops have developed a set conviction that the Administration is unwilling, or perhaps unable, to craft any consistent, coherent economic strategy. That mood of mistrust is dangerous, not just to Carter but to the nation. As the White

House now clearly recognizes, consumer spending has done about all it can to prolong the U.S. economic expansion; continued growth in the next two or three years will depend largely on business spending for new factories, new machines and, ultimately, new jobs.

That realization has come hard to Populist Carter, who, in the words of one top adviser, "has a block about Big Business." But it is a natural enough view for his Secretary of the Treasury, W. (for Werner) Michael Blumenthal, who, after a rocky beginning in his post, has in the past few months gained clear pre-eminence among the President's economic aides. Blumenthal is a former Big Businessman himself—he was chairman of Bendix Corp. before he came to Washington—and, though he has never been fully accepted by corporate leaders as one

of their own, he knows how his former colleagues in the executive suite think.

It was Blumenthal who successfully promoted a fellow businessman, Textron Chairman G. William Miller, to become chairman of the Federal Reserve Board. It was Blumenthal, more than anyone else, who persuaded Carter that to try to push a sweeping tax reform program through this session of Congress would only frighten businessmen. It was Blumenthal, too, who decided in December that the time had come to intervene in money markets to halt the disorderly rout of the dollar, and who won Carter's approval to start the program while the President was traveling overseas.

Most of all, it was Blumenthal who last fall finally imposed some order on Carter's chaotic policymaking apparatus. Early in the Administration, programs were supposed to be coordinated by an Economic Policy Group, but its meetings were attended by as many as 30 second-level officials, who set up a babble of unfocused talk, while their bosses saved their serious proposals for private discussions with the President. Blumenthal organized a small "steering committee" that works out a consensus on policy over Thursday-morning breakfasts of sausages, eggs and Danish in Blumenthal's private Treasury dining room. Among those attending: Council of Economic Advisers Chairman Charles Schultze and Budget Boss James T. McIntyre Jr. Dissents are noted in reports to Carter, who of course reserves final decision for himself. But, says one breakfast clubber, "in the past three months Blumenthal has dominated that group and in effect had veto power over anything going to the President." The steering committee got its final recognition as a power center in November, when Vice President Walter Mondale began dropping in on its breakfasts—not for the food, but to find out what Carter was hearing about economics.

At just about that time, the Blumenthal group faced a deadline of sorts. In late January every President normally submits to Congress and the people his State of the Union message, an economic report and his budget. Blumenthal and his steering committee decided Carter should seize this opportunity to try hard to convince business and the nation that he does have a thought-out strategy by spelling out his economic plans in considerable detail.

Carter took the advice, and last week he delivered a barrage of pronouncements that did add up to a reasonably coherent program. It was unexciting, unsurprising, unadventurous, but it seemed designed to appeal to the nation for those very reasons. The aim, apparently, is to present Carter as a prudent manager, aware that the tangled complexities of guiding a growing but troubled economy prevent any President from doing everything at once, ready to put off those goals that are merely desirable in favor of those that are essential. The program's main elements:



SERIES
1977

W. H. Blumenthal

6

Secretary of the Treasury

Treasury Secretary posing in front of \$10,036,000 in greenbacks of various denominations

Veto power exercised on Thursday mornings over sausage, eggs and Danish

► Tax cuts of \$25 billion—\$17 billion net for individual taxpayers through rate cuts, \$6 billion net for business in the form of more generous investment tax credits and a drop in the tax rate on most corporate profits from the present 48% to 45% late this year, 44% in 1980. Another \$2 billion would be provided by repeal of the federal tax on telephone calls and a cut in unemployment-insurance taxes levied on companies. The overall aim: to offset the bite of higher Social Security and energy taxes, which the President conceded would otherwise drag the economy down by the end of 1978, and give businessmen more cash to invest. If Congress agrees, the cuts will take effect Oct. 1.

► A tight budget, with spending for fiscal 1979, which starts Oct. 1, held to \$500.2 billion, roughly 8% more than this fiscal year. (The President stressed heavily that, adjusted for inflation, the increase would be only 2%.) The deficit is expected to shrink slightly, from \$61.8 billion in fiscal 1978 to \$60.6 billion. Though many businessmen grumble that spending and the deficit should have been reduced by \$20 billion or more, the President did resist pleas for still higher expenditures.

and McIntyre turned out to be something of a tiger at slashing spending requests. For example, Carter and McIntyre threw out the Department of Housing and Urban Development's first try at a departmental budget and ordered a redraft that knocked out expensive new spending programs. Moreover, Carter pledged that he would try to reduce the role of Government spending in what is now a \$2 trillion economy from about 22% of gross national product next fiscal year to 21% by the time his first term ends in 1981. That is a goal that the most crustily conservative Republican businessman could wholeheartedly endorse, if he happened to believe that the President meant it.

► An anti-inflation program focusing on what sounds like the mildest kind of pres-

er. Gross national product in current dollars reached a \$2 trillion annual rate last Tuesday, Jan. 17, according to the Commerce Department. Manhattan's Morgan Guaranty Trust Co. figures, with tongue-in-cheek precision, that the rate will be reached this Friday at 2:36 p.m.—give or take a few minutes. After taking most of two centuries to achieve a \$1 trillion G.N.P., the U.S. added the second trillion in a little more than seven years. Alas, the mile stone is a monument more to inflation than to growth. Morgan Guaranty calculates that about two-thirds of the second trillion came from higher prices rather than increased output.

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idental jawboning. The White House will attempt to knock half a percentage point off the inflation rate (6.5% to 6.8% in 1977, by various measurements) by urging union leaders and corporate executives to hold wage and price boosts below the average for the past two years. To that end, Administration officials will try to convene informal panels of labor and corporate bosses to work out wage-price goals for specific industries, bearing in mind that some will need bigger increases than others. Said Carter firmly, and to much applause, in his State of the Union address: "I do not believe in wage or price controls." In fact, there will be no enforcement provisions, not even numerical guidelines. Says Reginald Jones, chairman of General Electric: "One of the facets of this package most attractive to all of us is that it involves nothing more than discussion."

The program makes some bows to liberal ideology. It gives the most generous income tax reductions to people with taxable incomes of less than \$15,000 a year, on the theory that they need help most and will spend every cent that Uncle Sam lets go of, rather than put their tax savings in the bank. Carter also proposes a modest innovation: \$400 million this year to companies that hire hard-to-employ workers (details to come in March). The reasoning is that an expanding economy does not automatically reduce unemployment among the groups most plagued by joblessness: employers who need more help turn first to the most experienced workers, and these generally turn out to be adult white males, whose unemployment rate already is low.

Some special inducement is needed to prompt companies to hire blacks, women and youths.

On the whole, though, the President's policy gives the economy only gentle stimulus. In total, the tax cuts Carter proposes will not do much more than cancel the effect of tax increases already legislated, and for a sizable slice of the population they will not even do that for long. The principal reason is that Social Security taxes are rising this year, and will jump much more sharply in 1979 and later years under a law that Congress passed in December at Carter's behest.

Blumenthal estimates that almost 91% of all taxpayers will get a net reduction this year (correcting a figure of 96% that the President tossed out in his State of the Union speech). But in 1979, the Treasury Secretary figures, fewer than 83% of all taxpayers, those earning about \$20,000 a year or less, will enjoy a net saving; those earning more will find Social Security increases outweighing the income tax cuts. Two examples: in 1979 a typical family of four earning \$15,000 a year would pay \$258 less income tax, shell out \$42 more to Social Security, and save a net of \$216. A family earning \$25,000, however, would save \$320 on income taxes, pay \$439 more to Social Security, and wind up forking over an extra \$119 to the Government. Many economists are already speculating that still more income tax reductions will be needed to keep the economy expanding next year. The President in his economic message last week came close to conceding the point.

At minimum, however, Carter has sorted out his economic priorities. He badly confused businessmen early in his Ad-

ministration by setting goals of reducing both the unemployment and inflation rates to 4.5% or less and balancing the budget besides—and doing all that by 1981. Executives and economists rightly protested that reaching paradise so soon would be flat-out impossible. They wondered how long it would take the President to realize that, and which aim he would concentrate on when he did.

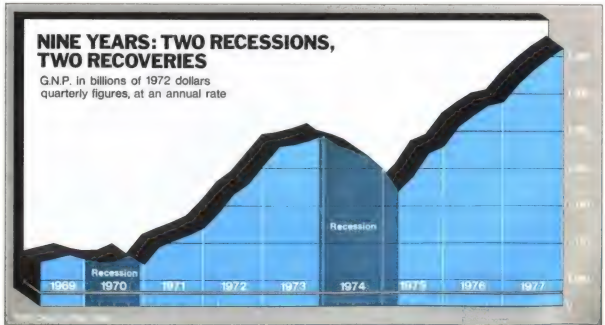
The new program clearly gives first place to keeping production growing and unemployment coming down gradually. Though the President talks of reducing the inflation rate, some economists outside the Administration suspect that Carter has quietly reconciled himself to price increases averaging 6% or so for the next year; indeed, the Administration's private estimate for 1978 is 6.5%. And Carter last week conspicuously did not mention balancing the budget by 1981, even as a hope.

As Secretary of the Treasury, Mike Blumenthal will take on the job of selling this program to Congress and his fellow businessmen. He has already started, visiting New York two weeks ago to brief the influential Business Roundtable on the President's plans, taking to national TV over the past week-end to explain and justify the Administration's policies. The task is one to which he is less than ideally suited. His laconic, low-key manner does not make for stirring public addresses, and he comes across better chatting frankly with individuals and small groups. But his firm grasp of policy and its rationale is unmistakable.

Last week, in an interview with TIME Washington Economic Correspondent George Taber, Blumenthal candidly dis-

NINE YEARS: TWO RECESSIONS, TWO RECOVERIES

G.N.P. in billions of 1972 dollars quarterly figures, at an annual rate





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cussed the Administration's position. Draping his legs casually across a simulated colonial chair in his office and puffing on his cigar, he conceded "There has been much comment in the press about the lack of business confidence, and commentators have written about mutually inconsistent goals. I think there is some substance to this [Last year] there was insufficient attention given to the relationship between various programs. It is also true that economic decision making in the early months was anything but smooth."

Now, asserts Blumenthal, the Administration has its goals in order. "People will still say they don't like the policy; that's unavoidable. But I am hopeful that most reasonable observers will say, 'At least we know where we stand.' The first priority is to get [Carter's] energy program passed, because it is the key to everything else. The second priority is to continue bringing down the level of unemployment gradually. Reducing the budget deficit is a high priority, but that can be achieved only as rapidly as the developing strengths of the economy allow."

An all-important aim is to convince businessmen that they can now invest with confidence since they know what the policy is, and that the Administration will help them by cutting their taxes. The President, who in October scared the wits out of many executives by thundering that Big Oil wanted to "rip off" the people, sprinkled his State of the Union message and economic report with flattering ref-



Council of Economic Advisers Chairman Charles Schultze and Budget Boss James McIntyre

A balance must take second place to keeping the expansion rolling along

erences to private business as the great provider of income and jobs. Blumenthal expounds on the point: "Business investment, which has been too low, is the key not only to keeping the economy going, but also the key to fighting inflation." His reasoning: if companies do not build, expand and modernize factories, production bottlenecks and shortages will develop as the economy expands, and price increases will speed up.

But convincing executives that the Administration now loves them and

wants to help them will take a hard selling job by Carter. The Administration's priorities, while clear enough, are emphatically not those that businessmen would select. Most executives are frightened by inflation, fear that it may bring an end to the expansion in a year or two despite Carter's tax cuts, and think the President should crack down on it by cutting federal spending and the budget deficit more than he intends. Businessmen and economists, like Murray Weidenbaum, a member of the TIMI Board of Economists, consider his anti-inflation program "a puffball," and fear that the Administration is not yet sufficiently aware of how damaging a further decline in the value of the dollar could be.

Initial reaction to the State of the Union speech—about the only pronouncement that businessmen had time to digest last week—indicates that Carter made a small start toward soothing business anxiety but has a very long way to go. Said John Wilson, an economist at California's Bank of America, the nation's largest: "I think he demonstrated he has a good grasp of short-term and long-term economic problems, and he presented a balanced package." J. Sidney Webb, executive vice president of TRW Electronics in Los Angeles, thought Carter sounded "more like a conservative Republican than a conservative Democrat. I'm not sure he can do all the things he says, but in general I liked the speech."

But the favorable responses were outweighed by skeptical or negative ones. Richard Peterson, senior vice president of Continental Illinois National Bank, complained that "there was nothing to help solve our rate of inflation." Joseph Lanterman, chairman of Chicago's Amsted Industries, manufacturers of railroad and industrial components, asserted that "Carter has not removed any of the uncertainties that

What Families Will Save on Taxes

The following table, supplied by the Treasury Department, shows the income tax now paid by the average family of four in various income brackets, the savings they can expect after President Carter's proposals for income tax cuts go into effect, the increase in Social Security taxes they will pay next year and the net change in both taxes. The average family earning less than \$10,000 will actually collect money from the Government; some are net taxpayers, but those earning less than \$8,000 are eligible for an "earned-income credit" that entitles them to "refunds" greater than their taxes paid. Tax rates even for families earning more than \$100,000 will be reduced, but those people on average will end up paying more taxes because of various reforms that the President proposes.

INCOME GROUP	PRESENT INCOME TAX PAYMENTS*	CHANGE UNDER CARTER'S PLAN	SOCIAL SECURITY INCREASE	NET S.S. & INCOME TAX CHANGE
Less than \$10,000	\$ 9	\$ -88 (refund)	\$ 16	\$ -72
\$10,000 - 15,000	867	-278	30	-248
15,000 - 20,000	1,739	-278	48	-230
20,000 - 30,000	3,117	-337	115	-222
30,000 - 50,000	6,287	-308	192	-116
50,000 - 100,000	16,336	-248	232	-16
100,000 - 200,000	40,885	+202	268	+470
200,000 and over	127,666	+2,807	145	+2,952

Figures are averages for each income group.

*Based on 1978 returns.

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plague the economy." Irving Seaman, chairman of Sears Bank and Trust in Chicago, called Carter's address "a bland, nothing speech. I'm even more apprehensive about the economy than before."

Throughout such comments runs a strange paradox: many executives profess faith in the strength of business in one breath, then voice grave worry about Carter's economic management in the next. Says John P. Thompson, chairman of

Southland Corp., an operator and franchiser of convenience food stores that has its headquarters in Dallas: "I think 1978 will be a good year. It is starting off at a higher clip than 1977." Simultaneously, he grouches: "I think the business community to a man reflects the uncertainty he [Carter] has projected." A fellow Texan, M. Lamar Muse, president of Southwest Airlines Co., bubbles: "We are expecting to do extremely well in 1978." His opin-

ion of the Administration? "I have never seen a group that seemed so inept."

To a large extent, this split-level thinking reflects a similar schizophrenia in the economic outlook: no one can deny its brightness as the year began or the clouds over the longer-term picture. The stock market and the dollar to the contrary notwithstanding, virtually every immediate indicator is coming up roses. The best news, of course, is that unemploy-

Up from Some Stumbles

Every now and then, residents of Washington's Foggy Bottom neighborhood see a rumpled man with sad beagle eyes bearing a big, round bundle from his bachelor apartment to a coin-operated basement laundry. There goes W. Michael Blumenthal, 52, one of the most potent powers of global finance, carrying his dirty underwear to a washing. Blumenthal surely could afford a maid, even though he took a \$534,000 salary cut—from \$600,000 down to \$66,000—when he left private industry to become a Government servant. But he prefers to perform his own chores because he is a man without pretensions.

Not that the Secretary of the Treasury does not savor luxury. He likes Cardin belts, monogrammed shirts and \$500 Dunhill suits, but on his round shoulders they just flop and hang. He also has a taste for \$1.25 Jamaican Dunhill cigars, of which he burns up five to seven a day. Whenever he does not have an official dinner, he likes to slip out to a small and modest Italian restaurant, where he is seldom recognized. When it is on the menu, he orders steak tartare, which he tosses and stirs with great panache.

Among his many other little pleasures are playing a mid-dling game of tennis and jogging up to a mile and a half along the Potomac footpath three times a week at 6:30 a.m. He also reads voraciously and fast. Recently he has consumed the biography of Mao's widow, Chiang Ch'ing. Menachem Begin's autobiographical *White Knights* and Jules Witcover's *Marathon*, the story of Jimmy Carter's pursuit of the presidency. Says Blumenthal: "I wanted to see how they got together and did it."

Naturally, he works hard, as might be expected of the man who has the responsibility for formulating domestic and international financial and tax policies, managing the public debt and supervising the Treasury's major law enforcement arms, including the Secret Service. But he delegates wisely; he recruited Robert Carswell, 49, a Wall Street lawyer, as Deputy Secretary to handle the Treasury's 126,344-employee bureaucracy, and assigned Anthony Solomon, 58, an economist and State Department veteran, as Under Secretary for Monetary Affairs, to run daily international operations. That leaves Blumenthal free to concentrate on the big-bang issues of inflation, taxes and the dollar—and have at least some chance to quit the office after the twelve-hour days that he considers the optimum for efficiency. He carefully guards his weekends as private times, and sometimes leaves on a quick vacation without revealing his destination to anyone except his secretary.

Blumenthal's well-documented rise from adversity is the kind of tale that businessmen like to tell their skeptical children to prove that opportunity still flourishes in America. A refugee from Hitler's Berlin, a street-smart survivor of wartime Shanghai, where his father worked at odd jobs and his mother supported the family by selling cloth to dress-makers, Blumenthal landed in California at the age of 21 in 1947 with \$60 in his pocket. He worked up through two

dozen menial jobs, among them serving as a gambling shill near Lake Tahoe and handling the lights at strip shows featuring Lili St. Cyr and Sally Rand. He got a scholarship to Princeton, earned two master's degrees and a Ph.D. in economics, taught for a while but switched to the more exciting world of business, joining a subsidiary of Crown Cork & Seal, where he quickly climbed to vice president and director. In 1963, he was named the U.S. ambassador to the Kennedy Round of international trade talks in Geneva. There he proved to be a tough negotiator, showing qualities that still linger. Says a Treasury aide: "I've never seen a guy who can get you on the defensive so easily. He's the master of one-upmanship. He always gets the other guy off balance."



En route to Shanghai (1939)

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After four years in the trade job, Blumenthal in 1967 became president of Bendix Corp., the Detroit-area conglomerate (auto parts to mobile homes). He rose to become chairman, and under his leadership Bendix was known in business circles as one of the best-managed companies in the country. Beyond increasing sales and profits, Blumenthal argued forcefully, business also has a social role. Long before it became fashionable, he conducted an outspoken campaign for corporations to adopt a code of ethics, urging others to emulate Bendix's openly professed policy of refusing to make payoffs to win orders.

In addition, Blumenthal was a political activist. Says he, rather hyperbolically: "You can count the leading Democratic businessmen on one hand." In Campaign 1976, he supported Walter Mondale and then Scoop Jackson, but, better late than never, he ultimately hopped aboard the Carter bandwagon. When Carter was searching for a Treasury Secretary, he was impressed by Blumenthal's business success, well-rounded personality and intellect.

Once he moved to Washington, the "kid from Shanghai" (as he is still called by some Treasury aides) stumbled for the first time in his life. He separated from his wife, who has earned her Ph.D. in education and works as a researcher at the National Academy of Sciences. (Says a friend: "They were two highly charged people, who were terribly busy and saw too little of each other to really make a couple.") He seemed lost in Washington's bureaucratic maze

ment by Government calculation fell to a three-year low of 6.4% of the work force in December. Many economists outside the Administration think that figure is too low, but no one questions that the economy is creating new jobs at a speedy pace. Carter's aides are permitting themselves to hope, though not yet to predict, that the rate will fall below 6% by the end of this year.

A stream of reports last week gave reason to think that unemployment may indeed drop lower. Housing starts in 1977

jumped 29%, to just under 2 million, and closed the year still going up; the annual rate in December hit nearly 2.3 million. Permits issued for new construction practically guarantee a healthy building pace early this year. Personal income in December rose 1.1%.

The gross national product (the total output of goods and services in the economy), adjusted for inflation, rose at an annual rate of 4.2% in the fourth quarter. That was down a bit from the previous three months but much stronger than ex-

pected in early fall. Moreover, the decline was accounted for mostly by a drop in business inventories, which were cleaned out by brisk Christmas sales. So businessmen will have to restock their shelves and warehouses early this year, and that will give a new push to production and employment. The Administration figures that real G.N.P. this year would rise 4.5% even without a tax cut; with one, the increase might even be a bit more than the 4.9% of last year.

Some private economists are also



The Treasury Secretary meets with Saudi Arabia's Prince Fahd, left, and King Khalid, far right, in October 1977

and naive about infighting. His relations with Congress were poor, and he sometimes was an ill-prepared witness at hearings on Capitol Hill. He failed to earn the trust of businessmen, partly because he had spoken so loudly about the need for business reform, and partly because the Carter Administration did not designate him as its economic spokesman, a role that traditionally falls to the Treasury Secretary. Instead, Carter's old friend, Budget Director Bert Lance, took on much of that function, as well as the job of Administration envoy to businessmen. When the scandal over Lance's finances broke last summer, some of his loyalists in the White House accused Blumenthal of being "too energetic" in pressing the probe. In fact, Blumenthal was only doing his duty as the man in charge of the Office of the Comptroller of the Currency and the Internal Revenue Service—and events proved that he was right all along.

After Lance was forced to quit, his departure left a power vacuum, and Blumenthal seemed the most likely candidate to fill it. Impressed by his ideas and his staying power under pressure, Carter began to pay much more heed to him and made Blumenthal practically his economic chief of staff. Says Blumenthal: "The whole question of who says what on economic issues has not been much of a problem in recent months. It's pretty clear who talks to the business community." The talker is, of course, Mike Blumenthal.

If businessmen listen, they will have reason to conclude that they have a friend in Blumenthal. He is particularly proud

that he persuaded Carter to pick William Miller to head the Federal Reserve Board. As Blumenthal says: "I pushed hard for a tried and true business executive who had the credentials of running a major enterprise and therefore of understanding corporate wants and needs, because that was a very important element in giving confidence. We'll work together well. This was my greatest acquisition in some time."

Blumenthal is basically conservative in economics, as devoted to free markets and opposed to Government interference as any corporate chieftain. Wage-price controls

JERRY ARONSON



With two of his three grown daughters

are anathema to him, though he has declared broadly that more Government planning might be helpful. In general, he favors some spending controls but sees nothing sacrosanct about a balanced budget. He urges the \$25 billion tax cut that Carter proposes this year for businesses and individuals; he argued successfully against eliminating tax benefits for capital gains but could not talk the President out of proposing a crackdown on deductions for expense accounts, including those very rare "three-martini lunches."

Beyond that, says Blumenthal in his only slightly accented English, "I'm a little different from most businessmen. My social views, not my economic views, are a little more liberal." Jimmy Carter describes himself in much the same way: a social liberal and a fiscal moderate. Given the similarities of their philosophies, it is not surprising that these two self-made millionaires—the man from Plains and the Shanghai kid—get along just fine.

Nation

starting to make their forecasts for 1978 a bit more cheery, but a few others are sounding warnings of a new recession some time in 1979. Economist Terrence Larsen of the Philadelphia National Bank figures that Carter's tax cuts will stave off a slump this year, but "into 1979 the possibility of recession does increase. The odds would be 1 in 2."

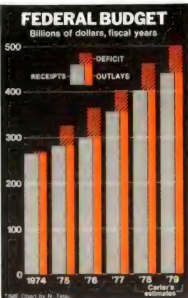
The main reasons for worry

Inflation. To a man, dozens of businessmen and economists queried by TIME correspondents expect price increases to remain rapid in 1978 or even to speed up a bit, perhaps to a 7% pace by year's end, partly because of actions that Washington has already taken. Employers will pass along in higher prices their share of Social Security tax boosts. A 45% rise by 1981 in the minimum wage that Carter proudly signed will kick up business costs and prices. So will restrictions on imports of foreign steel, shoes and TV sets that the President agreed to in order to avoid all-out protectionism.

Painful enough in itself, inflation also "ultimately produces higher unemployment," observes Kent Sims, senior vice president of the San Francisco Federal Reserve Bank. That happens if prices rise to the point that consumers become unwilling or unable to buy. There is one small sign that the process may be starting already: the drop in auto sales since mid-November. That could signal a buyer rebellion against the prices that Detroit is charging for many 1978 models that are smaller—though more fuel-efficient—than those of earlier years.

Interest Rates. Higher demand for loans and Federal Reserve Board efforts to prevent inflationary growth of the U.S. money supply are pushing up lending charges. The bank "prime" rate on business loans has jumped from 6½% at the start of 1977 to 8½% now; some Wall Streeters predict it will reach 8½% or even 9% by year's end. The rise makes it more expensive for consumers and businesses to buy or build with borrowed cash. It could put an end to the housing boom by causing savers to pull their money out of savings banks and savings and loan associations—the prime source of mortgage loans—and instead buy Treasury bills or bonds to get the higher interest rates that they offer. Some lenders fear that this process, known to economists by the jaw-breaking name of "disintermediation," is already beginning.

The Dollar. It steadied after Washington began buying up unwanted greenbacks to prop their price, but dipped a bit again at week's end, apparently because Carter's State of the Union speech failed to convince foreign money men that the Administration has a handle on the economy's problems. In the long run, dollar stability will depend on U.S. progress in reducing its gargantuan trade deficit of almost \$30



billion—and not much progress is expected this year. Congressional passage of an energy bill—almost any energy bill—would help by demonstrating American determination to cut oil imports, the biggest contributor to the deficit. A dollar slide aggravates other troubles it worsens inflation by increasing the price of imports, and causes the Federal Reserve to raise interest rates more than it otherwise would in an effort to make dollar holdings a more attractive investment.

The Stock Market. The Dow Jones industrial average has fallen on eleven of

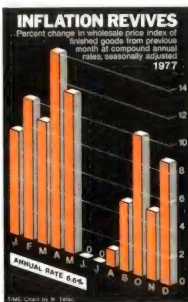
the 14 trading days so far in 1978, for a decline of 54 points, and it closed last week at 776.94. In stock traders' minds, worries about inflation, interest rates and the dollar have outweighed all the good news. Though the stock market does not directly move the economy, it can have an important psychological effect by making people feel poorer—and with reason. Says Albert H. Cox, chief economist of Merrill Lynch, the brokerage giant: "By our estimates, at this point almost \$100 billion worth of values in listed stocks has been wiped away—\$62 billion last year and another \$30 billion plus just in the early part of this year. That has to have some dampening effect [on the economy] after a while."

Investment. Council of Economic Advisers Chairman Schultz figures that business spending for new plant and equipment, adjusted for inflation, must rise 7% this year and 9% next year to keep the recovery rolling. Capital investment increased 8% in 1977, but Commerce Department surveys indicate a rise of only 4.5% this year. Townsend-Greenspan, a consulting firm headed by Alan Greenspan, a member of the TIME Board of Economists, calculates that the rise may really be a mere 3%, and warns that even that puny an increase will not be achieved unless the dollar steadies enough to remove the threat of a violent leap in interest rates.

The trouble in tackling any of these problems is that a too vigorous attack on one may well aggravate another. Considering only economics, the standout example is the unemployment-inflation dilemma. Aggressive stimulation of the economy through heavy federal spending or extra-deep tax cuts might initially slash unemployment, but it might also push up prices, an all-out attack on inflation involving deep cuts in spending might bring on a recession, with rapidly rising unemployment. But the White House cannot confine its attention to economics, political and social claims must be weighed too. Thus any presidential economic program is a series of uneasy compromises, and Carter's is decidedly no exception.

In the field of tax policy, for example, the President totally committed himself during the campaign to reforming a system that he called "a disgrace to the human race." While he now accepts Blumenthal's argument that tax cuts must take precedence, he could not simply abandon his campaign pledges. So he coupled his rate-slashing proposals with a call for a modicum of reform.

The most consequential reform would be replacing the present \$750-per-person income tax exemption with a \$240 credit. The exemption reduces the amount of income on which tax is paid; the credit would be subtracted directly from the amount of tax due. For complex technical reasons, the effect would be to give an extra tax break to people earning less



than roughly \$22,000 a year, while reducing the benefit of tax cuts for people who earn more. Other reforms that the President proposed would further restrict certain tax shelters for well-off people, end a scheme under which companies can defer taxes on part of the profits earned by exporting goods, tax more speedily the profits that U.S.-based corporations earn overseas, and cut in half permitted deductions for business meals—an attack on the by now fabled three-martini lunch.

Oregon Democrat Al Ullman, chairman of the tax-writing House Ways and Means Committee, last week voiced opposition to most of the remaining reform ideas, especially the provision about business meals, which he feared would cripple the hotel and restaurant industry. Congress is likely to knock out many of the reforms, and that would push the whole program askew. Without the revenue-raising reforms, Carter's proposals would result in tax cuts totaling \$34 billion a year—\$24 billion for individuals, \$8 billion for business, \$2 billion in excise and payroll tax elimination—and that amount might be inflationary. The President himself, in a special tax message, said: "The full cuts in personal and corporate tax rates which I recommend would not be desirable in the absence of significant reform."

The justification that Administration officials give for the weak anti-inflation program amounts to saying that they could not think of anything else. If you have to do something about inflation, and if you feel you must accept a \$60 billion budget deficit for the sake of growth, and if you rule out wage-price controls or anything smacking of them as unlikely to work, what is left but a plea for voluntary cooperation by management and labor to hold down pay and price increases? And if the whole economic program depends on business cooperation and confidence anyway, why not make the attempt? Blumenthal's defense of the plan is notably uninspiring. "Don't call it a mouse too fast. There won't be a loving embrace of the plan, but there will be a cautious and sober willingness to give it a try. We're going to fail in the fight against inflation unless we can find a way for people to say 'We're all in this together and we're going to collaborate to solve it.'"

In all economic policymaking, a key consideration is balance between conflicting goals and clashing claims. Balance was precisely the quality that the Administration's procedures lacked in the early days Carter then would consult with aides

singly—White House Assistant James Schlesinger, who is now Secretary of Energy, on fuel policy, Labor Secretary Ray Marshall on minimum-wage legislation—and reach decisions without weighing sufficiently the impact that the programs they suggested might have on the economy. Blumenthal suffered as much as anyone from this presidential propensity. In public, he loyally though unenthusiastically supported Carter's plan for a \$50-

over his penchant for trying to decide every aspect of every program, and is delegating more authority to Blumenthal and others, he still immerses himself in the details of economic policy more than Presidents generally do. While the budget was being prepared, the President carefully studied 25 black briefing books averaging 150 pages each, and scribbled in the margins such comments as "Let's not do that, JC." He also invited middle-level officials to meetings on departmental budgets, and encouraged them to debate figures with him while their bosses listened.

But Blumenthal's steering committee has established enough authority in selecting the choices to be presented to the President to dislodge Labor Secretary Marshall and Commerce Secretary Juanita Kreps, who complain that they have been cut out of economic policymaking by not being invited to the Thursday-morning breakfasts. Within the committee, Blumenthal has no visible rival for pre-eminence. Charles Schulze these days often secludes himself in his office, and McIntyre sticks strictly to budget matters.

That leaves Blumenthal not only the chief policy planner but the Administration's unofficial ambassador to business as well. Though Blumenthal's background might seem to fit him perfectly for the job, he has yet to master the assignment. Many businessmen still blame him for much of the Administration's early waffling, especially about the dollar. Blumenthal's December decision to support the greenback represented something of a conversion. Earlier he had taken the lead in arguing that the dollar's slide was no cause for alarm, and he made the point more strongly than he may have intended, he gave many businessmen the impression that he actually wanted to see the dollar drop farther. Despite his reversal, they still view Blumenthal as the man who talked the dollar down, and they have not forgiven him.

Whether Blumenthal can change the skepticism about him is crucial. The Carter program simply will not work without business confidence—and Blumenthal helped mightily to design it that way. He has gained greatly in self-assurance and knowledge of the arts of Washington infighting, and sold the President on what for a Democratic Administration is a very conservative program. Having won over his new colleagues in Government, he must now gain the support of his old acquaintances in the board rooms—and paradoxically that seems much the harder task.



Blumenthal and President Carter in the Oval Office

An attack on one problem may aggravate another.

per-person tax rebate last spring, advising one Senator to "hold your nose and vote for it," only to have the President suddenly pull the rug from under him by abruptly abandoning the proposal.

Just how much coordination Blumenthal can now bring to the policymaking process is still problematic. In all likelihood neither he nor anyone else in the Carter Administration will ever play as dominant a role in shaping economic programs as Secretaries of the Treasury John Connally and George Shultz did under Richard Nixon. Though Carter is getting

Again, the FBI Gets Its Man

Judge William Webster, a Republican, takes on the bureau

During a legal conference in London last summer, Attorney General Griffin Bell and Federal Circuit Judge William Webster of St. Louis got to talking about the FBI. What would his answer have been, Bell wondered, had Webster been asked to head the bureau instead of Alabama Federal Judge Frank Johnson? "I don't know," replied Webster. "I have never thought of myself in that role."

Last week Webster, 53, was thinking about it. Seven weeks after Johnson withdrew his candidacy for health reasons, Webster was asked by President Carter to become the third director in the FBI's 43-

about Webster after his nomination, and the only possible problem might be his membership in St. Louis' Veiled Prophet Society and the Noonday Club, two exclusive groups that have no black members. Bell noted that he had studied Webster's court decisions and found him to be a "moderate person" who "reasons well."

Those familiar with his work in the Eighth Circuit agree. One liberal St. Louis lawyer claims that Webster tends to uphold the rights of police more readily than those of defendants, but concedes that he is a "better than average" judge. Other

ing members of Hoover's inner circle. Within the past five years, moreover, it has been disclosed that a number of the FBI's 8,400 agents have been involved in illegal entries and mail opening. One agent, John Kearney, was indicted last April in New York for illegal surveillance of the radical underground Weatherman group, and Bell has yet to decide whether there will be further indictments pending a report from a ten-man Justice Department team on past FBI malpractices.

The man tapped to lead the bureau to brighter days has an exemplary record. After two hitches in the Navy (top rank: lieutenant) and degrees from Amherst College and Washington University School of Law, Webster entered private practice. Richard Nixon appointed him as a U.S. district court judge in 1971 and to the U.S. Eighth Circuit Court of Appeals in 1973. When Supreme Court Justice William O. Douglas retired in 1975, Webster was one of the first eleven people recommended to the American Bar Association as a possible replacement.

Webster is a Christian Scientist who neither drinks nor smokes and stays in shape by playing tennis regularly. He and Wife Drusilla weekend at the family's 265-acre farm in Callaway County, Mo., 90 miles west of St. Louis, where Webster rides horses and breeds Black Angus cattle. The parents of a college-age son and two daughters, the Websters have few qualms about moving East—even though, as Mrs. Webster says with a laugh, "we'll be one of the few in Washington not from Georgia."

When Griffin Bell announced William Webster's appointment to the FBI post, he noted proudly that it had been made "without regard to political party." One motivation for the remark: both he and President Carter had become embroiled in a controversy over their desire to sack a Republican, David Marston, as U.S. Attorney in Philadelphia.

Marston, who has convicted some top Democratic officials, including Pennsylvania Speaker of the House Herbert Fineman, was summoned to Bell's office the day after Webster's nomination. When he emerged, Marston said the Attorney General had told him that "the decision to fire me was final, and would not be reconsidered." Carter admitted the previous week that he had asked Bell to "expedite" the ouster of Marston after receiving a phone call from Pennsylvania Democratic Congressman Joshua Eilberg. Carter presumably did not know that Eilberg was under investigation by Marston's office for financial irregularities in a Philadelphia hospital's construction program.

Bell offered the outgoing prosecutor a three-month extension, but Marston declined. Said he: "I've been crippled by the events of the past few weeks. I don't want to be a lame duck."



Webster with Wife Drusilla and daughters during press conference in St. Louis last week

The old Navyman heard the bosun's pipe and the words "Now hear this."

year history, and he accepted. Explaining why he would give up his judgeship for the bureau's top post, he said: "I'm an old Navyman. I heard the bosun's pipe and the words 'Now hear this.'"

Webster was chosen from an original list of 117 prospects that was narrowed down to two after Bell consulted with lawyers, judges and law-enforcement officials. He and the other finalist, Federal Judge Frank McGarr of Chicago, met with Carter last week. Bell noted that both are Republicans; the Administration has been under heavy fire lately for partisanship in its appointments of federal judges and prosecutors. Bell suggested that Carter's decision might have turned on a simple affinity of temperament. "McGarr is a trial lawyer and has a more dominant personality," said the Attorney General. "Webster is given to being a quiet person."

To assume the directorship, Webster must first be confirmed by the Senate, but there appears to be little doubt about that. Scarcely a negative word was uttered

civil rights advocates describe him as fair, and conservatives are pleased by the fact that he has let a number of criminal convictions stand despite alleged minor mistakes in trials.

While his integrity is unquestioned, the test for Webster will be how well he can—with limited administrative experience—run an agency with 19,000 employees, a \$500 million annual budget and a lot of problems. Dominated by cliques and thoroughly demoralized, the FBI has suffered one severe blow after another to its public image since the death of J. Edgar Hoover in 1972.

There were damaging revelations of Hoover's petty corruption and personal wars against political dissenters and black leaders. L. Patrick Gray, the acting director, politicized the agency by bending to pressure from the Nixon White House to impede the Watergate investigations. Outgoing Director Clarence Kelley, who is due to retire by Feb. 15, has been unable to wrest full control from the remain-

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Regular and Menthol.

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Nation

New Orders for the Admiral

Now he directs more than the Central Intelligence Agency

Since becoming chief of the CIA last March, Admiral Stansfield Turner has come on like David Farragut at Mobile Bay. Damn the torpedoes! Full speed ahead! Turner gave orders to discharge 820 spooks. He then dismissed Deputy Director for Operations William Wells, who had carried out the firing. The admiral also surrounded himself with former naval officers as high-level subordinates.

Morale has listed at the agency, and old hands have loosed broadsides at Turner, so far with little effect. He has also caused nervousness and resentment at the Pentagon, State Department and several other federal departments by lobbying at the White House to gain control of their intelligence operations.

This week, despite the growing controversy about the admiral, he will get much of the broader powers that he wanted, and from his old Annapolis mate Jimmy Carter. The President on Tuesday will sign an order reorganizing the entire U.S. intelligence community, which embraces the CIA and the intelligence arms of the FBI, the State and Defense departments and the individual military services. The directive will give Turner authority over all intelligence budgets (estimated total: \$7 billion). But, as decreed by the President last summer, the order stops short of giving Turner the job he most coveted: U.S. intelligence czar.

The executive order was one of the first projects begun by Carter after taking office, but it still took almost a year

to produce. One reason he rejected the first version, submitted in August by the National Security Council, as incomprehensible. An adviser recalls that the President said, "I don't understand it, and I doubt anybody else can."

Under the new order, Turner will get "full and exclusive authority" over preparing the intelligence community's budgets. He will also operate through a new National Intelligence Tasking Center—made up of officers from the entire intelligence community—to assign intelligence projects to each agency and coordinate their activities. But each department will retain operational authority over its own intelligence arms. Thus while the Tasking Center can order the Pentagon's National Reconnaissance Office to continue operating spy-in-the-sky satellites, Secretary of Defense Harold Brown will control the office's day-to-day operations. The spy agencies will also keep on making their own analyses of all the intelligence data that they get. This will ensure that dissenting views are sent to the White House. Particularly sensitive intelligence-gathering operations and other cloak-and-dagger activities will have to be approved ahead of time by a standing committee of the National Security Council, which is headed by Zbigniew Brzezinski.

The new directive also reaffirms the list of dos and don'ts for American agents that was signed two years ago by President Ford. It sets no limits on a CIA practice that attracted heavy criticism during recent congressional hearings: the use of newsmen, students or clergymen as agents. Though the general policy is not to use them, the White House asserts that it did not want specifically to single out any groups for exclusion. But agents cannot interview people in the U.S. without identifying themselves as spooks. Nor can the CIA, using a seemingly innocuous business firm as cover overseas, sign a contract with any Americans unless they know that the agency is involved.

After Carter signs the order, he will ask Congress to enact it, giving it the permanency of law. It is expected to encounter little opposition despite the rising concern in Washington about Turner. Some senior advisers to Carter regard him as a poor manager of people and somewhat overweening. But they believe that another change at the top would only further damage the CIA, which has had five directors in five years. Still, by getting a new charter for all U.S. intelligence activities written into law, the Administration hopes to make spy operations more orderly and efficient, and keep them under better control. ■



Muriel leaving cemetery with ceremonial flag

Rousing Farewell

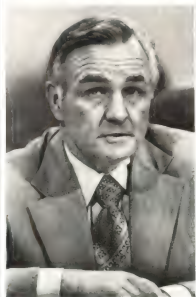
Now will Muriel take over?

Bundled in parkas and ski masks, mittens and scarves, the people of Hubert Humphrey's adopted state paid him their final tributes last week. Not even subzero cold could keep them away as they waited patiently on the steps of Minnesota's capitol rotunda in St. Paul for a view of Humphrey's flag-draped casket inside. Among the mourners a newsboy with his paper bag still slung over his shoulder and a visitor, California's Governor Jerry Brown.

Humphrey never achieved his goal of becoming President, but in the nation's capital as well as in the heartland, he was honored as if he had. Not only was his body flown to Washington on the plane that had carried the bodies of John Kennedy and Lyndon Johnson, but it also lay in state beneath the dome of the Capitol Rotunda on the same bier that had held Abraham Lincoln and J.F.K.

Only a week before he died, Humphrey told a friend that he did not want his requiem to be a morose spectacle. Said he: "Let's make it a celebration." It was certainly that—a rousing encomium to Hubert Humphrey.

At the funeral service in St. Paul's House of Hope Presbyterian Church, a black Baptist choir mourned Humphrey's passing with stirring spirituals, and the church choir sang the Hallelujah Chorus from Handel's *Messiah*. There were eulogies by President Carter and Vice President Mondale. The service lasted more



Spy Chief Stansfield Turner

Damn the torpedoes! Full speed ahead!

Nation

than two hours. Said Pastor Calvin Didier, a Humphrey friend: "The only service we ever had here that ran as long as this one was when Hubert was the preacher." Afterward Muriel, in a pink dress and fur jacket, stood in the cold greeting guests, including Coretta King, whom she embraced. While the honor guard lifted the casket and moved it to a waiting hearse, she wiped away some tears, then smiled and waved to friends in the crowd. At sundown Humphrey was buried in Minneapolis' Lakewood Cemetery as tele-

vision spotlights eerily illuminated his final resting place. A 19-gun salute rang through the frigid air, a bugler played taps, cameras clicked.

And politics went on. Who will fill out the remaining four years of Humphrey's term? Three Minnesota Congressmen—Democrats Donald Fraser and James Oberstar and Republican Bill Frenzel—are gearing up for a special election to be held in November, concurrent with the general election. But Governor Rudy Perpich must appoint a successor

to serve between now and November.

The guessing is that Perpich will name Muriel Humphrey and she will accept. But not for political reasons. Muriel was never a fan of Washington and not particularly fond of politics. But close friends say that on his deathbed Humphrey asked her to accept the post; moreover, Muriel feels indebted to her husband's loyal staff. By going to Washington, she would guarantee their jobs for eleven more months and give them time to look for other work. Hubert would have approved. ■

The Presidency/Hugh Sidey

An Illustrious Kaffeeklatsch

There was the comfortably familiar rattle of cups and saucers and the gurgle of hot coffee in Senate Minority Leader Howard Baker's office. Betty Ford nibbled a doughnut and declared it "delicious." Lynda Bird Johnson Robb told Richard Nixon she missed seeing his daughter Julie. "Henry, are you as mean as ever?" Nixon asked his former Secretary of State. "Yes," replied Kissinger, who had arrived with Nelson Rockefeller. "But I don't have as much opportunity as before."

Ford and Nixon compared golf games. Kissinger and Nixon compared books. Jimmy Carter asked Nixon when he had arrived in town and how long he planned to stay. Lady Bird Johnson was especially sympathetic when she saw Nixon, and held his hand warmly. So did Majority Leader Robert Byrd. Almost with eagerness, Carter, Ford and Nixon followed Baker into an anteroom for a historic picture of the three. In a few minutes it was time for these people to take their places beneath the Capitol dome to honor Hubert Humphrey.

Not since Truman, Eisenhower and Kennedy came together in Bonham, Texas, at the funeral of Sam Rayburn in 1961 has such a gathering occurred. The love of Hubert Humphrey was the force. Howard Baker was the arranger. When he learned that Nixon and Ford planned to attend the

Humphrey services, Baker invited both to gather in his office. Then he called Rocky and urged him to join them. Kissinger was going to be with the former Vice President, so he was included. Lady Bird Johnson was attending the service, so she too was invited. She asked to bring her daughter and son-in-law, Charles Robb, the new Lieutenant Governor of Virginia. With such an expected assemblage, Baker sent word to the White House that

President Carter was welcome. He and Rosalynn accepted.

What would Nixon be like, what would he act like? Almost everyone wondered. Nixon was hesitant about being there at all. Sunday morning a Nixon aide telephoned Baker's office and said that if it was awkward, Nixon would not go to the minority leader's office for coffee. He would instead go straight to the Capitol entrance at the last second so that he would not encounter anyone important. Forget it, Nixon's aide was told. Nixon was welcome.

Rockefeller, Kissinger and their wives arrived first. Then came Jerry and Betty Ford. Nixon was next, with his daughter Tricia. For a fleeting second there was tension. Nixon looked unsure, older than the group remembered him. He did not seem to be the man of impeccable tailoring they recalled. His trousers were even a shade too short. Then Ford and Kissinger went up to Nixon to shake hands. The unease vanished, talk began.

Rockefeller was the person who first noted the great ironies in the sunlit room, how history has been shaped by these people, how often their fates have been determined by the thinnest chance and circumstance. He looked across the room and spoke of the strange tides that had swept them all along, and now had brought them together again. Indeed, the sequence of power, the flow of events, fasci-

inated everyone. Mrs. Johnson was there because of John Kennedy's assassination, Nixon because Lyndon Johnson had been President, Ford because of Nixon, Rockefeller because of Ford. And maybe Carter was in the room because Ford had not kept Rockefeller as his vice-presidential candidate. Of course, they were all there to honor a man who, many felt, should have been President before any of those others.



America's three living Presidents gather to honor the memory of one who just missed
In a sunlit Senate office, musings on chance and the ironies of history.

Wooing the Black Vote

To survive, Republicans figure they need a 15% share

"Black people need the Republican Party to compete for us so that we have real alternatives... The Republican Party needs black people if it is ever to compete for national office."

That claim of mutual interest was made last week before 155 members of the Republican National Committee, all but four of them white, at Washington's Mayflower Hotel. The speaker was no party functionary but the Rev. Jesse Jackson, Chicago's flamboyant preacher of black activism. Jackson is a far cry from the usual G.O.P. orator, but his call for closer ties between blacks and the G.O.P. comes at a time when the party is looking for ways to woo black voters.

Party Chairman Bill Brock, a former Tennessee Senator, launched the effort after returns from the last presidential election showed that Democrat Jimmy Carter had won an overwhelming 90% of black votes. Carter outpolled Gerald Ford by 1.7 million votes overall; his margin among blacks was 4.7 million votes. As Jackson told his Republican audience: "Hands that picked cotton in 1966 did pick the President in 1976, and could very well be the difference in 1980."

To improve on the dismal G.O.P. performance, Brock hired a firm of black political consultants in Columbus, Ga., promoted the appointment of blacks to organize Southern states for the G.O.P. and visited Georgia and Mississippi to see what else could be done. Last November two top officials of the Mississippi Republican Party created a stir by making an unprecedented appearance at the state's convention of the National Association for the Advancement of Colored People.

"We're not likely to attract a large number of blacks," concedes Kansas Senator (and former G.O.P. chairman) Robert Dole, "but we can attract substantial numbers." Brock says he hopes to garner 15% or more of the black vote—enough to swing close elections. Notes he: "There's no alternative. To survive, we must do it."

Perhaps the chief barrier between Republicans and black leaders is the party's emphasis on reduced Government spending, balanced budgets and laissez-faire economics, quite the opposite of the programs sought by black leaders. Urban League Director Vernon Jordan last week blasted Carter's proposed tax cut of \$25 billion (popular with Republicans), claiming it was large enough to threaten "vitality needed urban and social welfare programs." Noting an Urban League study that puts black unemployment at 13.2% (vs. 6.3% for whites), Jordan called for increases in job-training funds and public service employment, proposals that most Republicans greet with a distinct chill. Be-

fore the Republican National Committee, Jesse Jackson called for a domestic Marshall Plan to revitalize the nation's cities.

In spite of such obstacles, Brock insists that black voters can be won to traditional Republican economics. "What have Democratic proposals done for blacks?" he asks. "Thirty-seven percent of black youth is unemployed. We won't be taking the big-spending route." The lone black in the Senate, Republican Edward Brooke of Massachusetts, agrees. Says he: "It's not a question of the free enterprise system; there is plenty of black

to balancing the budget. Moreover, blacks are increasingly attaining middle-class status: 30% of black families now have incomes of \$15,000 or above (compared with 53% of white families), an income group whose interests diverge from those of the ghetto and black leaders. Says black Miami Businessman David Fincher, a registered Democrat: "Democrats think we are still on our knees begging and praying. I'm looking for anyone to deliver what we need to be good Americans in the arena of free enterprise. If Republicans are serious, I'm sure I will go to them." Additionally, differences between Democrats and Republicans are blurring somewhat as both parties endorse policies that do not call for massive spending, such as tax reductions for businesses that hire the hard-to-employ



G.O.P. Chairman Bill Brock (left) and the Rev. Jesse Jackson at Washington meeting

Will the hands that picked cotton in 1966 pick the President in 1980?

support for free enterprise." But, adds Brooke, the party "must prove that it is for equal justice for blacks."

Indeed, there is some evidence that blacks—who began this century as faithful adherents of the Republican Party, the party of Abraham Lincoln—are more ready than they have been in decades to be courted by the G.O.P. In Louisiana, a former Assistant U.S. Attorney, Robert Livingston, 34, won 30% of the black votes last September to become his district's first Republican Congressman since 1874. The first Republican mayor in the history of Charlotte, N.C., Kenneth Harris, won 41% of the black vote last year. In Virginia, Republican Attorney General J. Marshall Coleman received 25% of the black vote. All are white.

Among some black voters, there is frustration at being taken for granted by a Democratic Administration that seems as committed as the Republicans

Still, the G.O.P. has a long way to go. Among ordinary blacks, says Maryland Democrat Parren Mitchell, chairman of the Congressional Black Caucus, disappointment with Jimmy Carter is "not enough to even make a dent." Adds James Compton, the head of Chicago's Urban League: "I don't see any philosophic approach in the Republican Party that will attract large numbers of black voters."

At last week's Republican National Committee meeting, the delegates resoundingly defeated the bid by a black woman, Dr. Gloria Tooté, a supporter of Ronald Reagan, for the party's co-chairmanship. The 118-to-37 result primarily reflected incumbent Mary Crisp's first-rate performance, not racial division. Still, before the vote, one G.O.P. leader explained his preference for Crisp by noting: "We're getting Jesse Jackson tomorrow. That's enough."

Nation

official put it, in a reforestation project

Environmentalists applaud Brown's plan for its "symbolic effect." Political foes find little to cheer about. Said former Los Angeles Police Chief Edward Davis, who is seeking the Republican gubernatorial nomination: "When I was a small boy, I liked to play with toys too. But using windmills is like harnessing fleas when you have an elephant like nuclear energy available." Retorted Brown: "When Fulton invented the steamboat, people laughed. But people who have studied en-

ergy alternatives aren't laughing. They know that walnut shells actually work."

Not content with just an energy program, the Governor also plans his own space program for California, complete with a communications satellite, a space-faring academy with courses in space law and trade and a space research institute within the University of California. Brown detractors are chuckling. Wise-cracks one: "Jerry has always been a little spaced-out, but this is carrying things too far."



A Jerry-Built Energy Program

California's Governor Brown thinks he has some better ideas

If he runs for the presidency in 1980, as many expect, California Governor Jerry Brown will be ready with his own energy program. Among other things, the \$500 million Brown plan for California, unveiled after New Year's, proposes using windmills, wood chips, walnut shells, rice hulls, solar panels, coal gasification and hot water as alternatives to fossil fuels. Says Brown: "Americans seem to be getting less inventive. I'm going to try to stimulate things the best I can through energy innovation."

Of the total package, Brown would budget \$200 million for energy development, \$50 million of which would be used for a proposed Southern California Edison Co. plant that turns coal into gas, and \$50 million more for the private development of the geothermal industry, which uses hot-water springs to create steam. Among Brown's more unusual ideas for spending the remaining \$100 million: \$4 million for the installation of a dozen giant windmills to generate electricity in windy mountain passes; up to \$3 million for the use of agricultural wastes—wood chips, walnut shells and maybe rice hulls—to heat and cool the state capitol and other government buildings. The wastes are baked until they emit organic gas, which is then collected and burned as fuel.

Another \$200 million would go to conservation. One plan calls for modifying state buildings to cut down energy use by 25%. Brown wants more efficient lighting levels and heating-system maintenance. The remaining \$100 million would be used to "grow fuel," as one state

The Night the Roof Fell In

Barely six hours earlier, the arena in Hartford, Conn., had echoed with the cheers of 5,000 fans watching an evening college basketball game. Now it lay in ruins. Said Restaurateur Frank Parselli, owner of one of the 50-odd small businesses situated in the \$70 million civic center complex that was built only three years ago: "It looks like a big meteorite crashed in the middle of the coliseum." With a terrifying roar, the 2½-acre, 1,400-ton steel-latticed roof of the deserted arena had collapsed under the weight of 4.8 in. of wet snow.

As New England storms go, that is by no means an excessive amount, in fact, a blizzard that roared across the Northeast later in the week, paralyzing much of the Atlantic seaboard, dumped up to 16 in. on Hartford's rooftops. What is more, the flat, "space frame" roof, which was supported at its corners by four concrete pylons, was, supposedly, designed to be strong enough to withstand far greater pressure. Said Hartford's embittered mayor, George Athanson: "I don't think it was a natural disaster. I think there was something wrong with how it was constructed."

Athanson and his fellow Hartfordites were thankful that no one was hurt in the accident. But they were shaken, since the civic center was the symbol of the city's downtown renewal, and the 12,500-seat coliseum was the cynosure of the complex. Home of the World Hockey Association's New England Whalers, the arena was also the site of other sporting events, concerts and conventions. As a result of the roof's collapse, more than 300 scheduled events will have to be canceled, in the 1½ to two years that may be needed to rebuild the structure, the local chamber of commerce estimates that business losses could approach \$20 million. As Hartford began an investigation into the collapse, City Manager James Daken pledged: "We'll build a new structure, a new coliseum. It will be bigger and better—and it will have a different kind of roof."

After the fall: twisted wreckage of the Hartford arena roof



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Torrijos escorts Treaties' Advocate John Wayne after the Duke's arrival in Panama; pact opponents at "truth squad" meeting in Miami

Squaring Off on the Canal

Both sides mobilize for the showdown on the treaties

Suddenly everyone was headed somewhere to talk about the Panama Canal treaties. With the pacts expected to be brought to a vote in the full Senate some time in March, seven members of the Senate Foreign Relations Committee led by Chairman John Sparkman were in Panama last week to assess the situation there. So was the Duke himself. Actor John Wayne, a conservative on most issues but a supporter of the treaties ceding the canal to Panama. Meanwhile, a "Panama Canal truth squad," including several members of Congress and a former chairman of the Joint Chiefs of Staff, was visiting four U.S. cities to drum up opposition to the treaties. As part of an Administration counteroffensive, Secretary of State Cyrus Vance made a three-day swing through the South and West before shutting off to the Middle East. This week Defense Secretary Harold Brown will hit the road for a three-state speaking tour.

The White House is mobilizing not a moment too soon. After the pacts were signed last September, the Administration let slide the all-important job of building support for them. Belatedly, the President began dispatching senior Cabinet members around the country to try to change minds. Carter is moving into overdrive as well. Last week he answered questions on the treaties via direct telephone hook-ups to Foreign Policy Association-sponsored meetings in Albuquerque and in Hattiesburg, Miss. He also sent letters to 3,000 American leaders in business and the professions, encouraging them to "help us lay the facts before the public."

The airborne truth squad got off to a false start. Stops in Nashville and Atlanta were scratched because of Hubert Humphrey's death. A storm that dumped 13 inches of snow on Cincinnati forced by-passing that city too. The first stop in the truncated, four-city "citizens' briefing" was Miami, where shoddy advance work

produced a turnout of 250 people, including a number of Legionnaires and members of the Veterans of Foreign Wars in full uniform. Most of those in the audience were elderly, conservative and already dead set against the canal pacts. Then it was on to St. Louis for a larger antitreaty crowd of 360 people and a dose of riproting right-wing rhetoric. Said Georgia Congressman Larry McDonald: "This treaty is backed by the unholy alliance of Big Government, Big Business and Big Labor."

The squad took on a bit of glamour in Denver with the arrival of Ronald Reagan, who made the canal a major issue in his 1976 presidential campaign. Once again, the crowd needed little convincing, and Reagan derided claims that opposition to the treaties was faltering, calling them "hogwash." The crew then headed for its last stop, Portland, Ore.

In Panama, meanwhile, the Sparkman group was being treated to what is becoming the traditional package tour for visiting U.S. Senators, including a quick trip to the canal, talks with Panamanian officials and lunch with Torrijos. The Panamanian leader's guest of honor, seated at his right, was John Wayne. Committee Chairman Sparkman had to settle for the seat to Torrijos' left. Said the Duke, who started investing in Panamanian exports after World War II and scoffs at claims by conservatives that Panama's economy is a disaster zone: "I've come to see what this 'total failure' is that Governor Reagan keeps talking about." The Senators, however, came to see whether Torrijos would be willing to go along with some additions to the treaties that might make the deal more palatable to fence-sitting colleagues. The Panamanian leader was willing to qualify the treaties so that 1) the U.S. explicitly has the right to defend the canal, 2) American ships will go to the head of the line in case of emergency, and 3) the U.S. will no long-

er be committed to a site in Panama should traffic necessitate the building of a sea-level canal.

In Washington, White House and State Department lobbyists were playing a numbers game of their own. The Administration figures it is still ten votes short of the 67 needed for ratification, with just under a score of Senators undecided and 24 staunch conservatives adamantly opposed to the treaties and eager to bury the chance of approval under as many as 40 amendments. The White House believes the odds are in its favor because of two not-so-secret weapons. Majority Leader Robert C. Byrd and Minority Leader Howard H. Baker. Byrd has thrown his considerable support to the treaties, and Baker says he will back them as long as they are modified slightly. But how to wheedle the Senate's swing votes into joining them? "The one who knows that best is Byrd," says an Administration official. "We're just waiting now on his advice."

Baker is operating amidst what he concedes to be "a lot of political danger." Unless he can get a majority of Republican Senators with him, he risks attack as a traitor to his party by such GOP conservatives as Strom Thurmond and Paul Laxalt. That could damage, if not destroy, any chance of his becoming the Republican candidate for President in 1980. Says Baker: "The key to the thing is to assure people we are not sacrificing the security interests of the United States."

A poll in Baker's Tennessee gave treaty opponents a 2-to-1 margin, but it also indicated that those numbers can be turned around if the White House agrees to amendments guaranteeing U.S. rights and privileges in the Canal Zone. The ultimate poll, of course, is the one that will take place on the Senate floor. Says an Administration vote counter: "We're within striking distance, and it's about a fifty-fifty ball game on the undecideds." In short, a brawl is shaping up in the Senate but with the Administration as the favorite.

Americana



Encounter Therapy

The Center for UFO Studies in Evanston, Ill., normally gets 50 letters a day about sightings of "glowing lights" and such in the sky, but since mid-December the average has been nearly 800. At the Harvard Smithsonian Center for Astrophysics in Cambridge, Mass., calls from UFO sighters increased from fewer than half a dozen to as many as 18 a day during the past month. The obvious cause: fallout from the sci-fi smash *Close Encounters of the Third Kind*.

In the Northeast many of the reports have been triggered by glowing appearances of Jupiter, the largest and brightest planet in the region's night sky. Another spur to UFO sightings may have been the news that the Administration tried, unsuccessfully, to get NASA to open a UFO investigation. Had Jimmy Carter fallen under the *Close Encounters* spell? Not at all. The White House, weary of having to deal with its own heavy load of UFO mail, was just trying to pass the buck.

Horse Cents

The days are gone when posers handed such varmints from the nearest tree, but horse thievery is all too alive in the U.S. In Michigan, the Macomb County sheriff's office is looking into the disappearance of seven horses. Early this month, thieves cut the fence of the 79-acre farm owned by Leonard and Ruth Genge in Washington township and made off with three mares and Leonard's quarter-horse, Sam. While some horses no doubt end up as dog food, the detective on the case suspects that the best of the rustled nags are sold for as much as 40¢ per lb. (large stallions bring \$450), trucked to Canada, butchered and shipped to Europe. There, horse meat is welcomed by discriminating continental eaters, who consider it juicier, tastier and more tender than expensive beef. France has more



than 1,000 *boucheries hippophagiques* (horse meat shops); some restaurants in Belgium and Switzerland specialize in horse meat. The taste for steak à la dobin has not crossed the Channel to Britain, however, where a horse is just a horse, rather than a del-equis-y.



The Glory of Grease

Even more slippery than Michigan's horse thieves, surely, are the Los Angeles truck drivers who swipe 55-gal. drums of used grease—about \$25,000 worth each week—from local restaurants and drive-ins. The goo, worth \$40 per bbl., is valuable because it is reprocessed into a food additive that causes cattle and poultry to gain weight. The thieves have oiled up across the nation, but most actively in Southern California, the fastness of fast food. Sometimes posing as legitimate grease collectors, they have cut chains placed on the outdoor grease barrels, smashed through protective iron gates, and driven over chain fences. Police are not doing much about cleaning up the grease mess. Says Alan Cohen, president of the Reliable Grease Co.: "The police tell us they've got the Los Angeles Strangler to worry about." Besides, unless the criminals were caught in the act, they would prove difficult to prosecute. Asks one police official: "How do you identify hot grease?"

Muzzling the IRS Monster

It would have been Washington's biggest Big Brother. The so-called Tax Administration System, built around a monstrous \$850 million computer, was going to give Internal Revenue Service staffers at 8,300 terminals in the ten regional IRS centers around the U.S. instant access to the financial records of more than 125 million U.S. taxpayers. Alarmed at what seemed like another electronic-age assault on personal privacy, liberals and conservatives alike protested when the project was announced in 1975. Congress's Office of Technology Assessment denounced it as a "threat to the civil liberties, privacy and due process of taxpayers."

Now the Office of Management and Budget has scuttled TAS and said the IRS would have to make do by merely renovating its existing, 16-year-old data bank. The Administration's decision has little to do with concerns about privacy. OMB feared that the all-embracing TAS would be vulnerable to a nationwide malfunction if it became overtaxed. The IRS says TAS would not have left taxpayers' files exposed to examinations by any more staffers than the present system: about 20,000.

Low Blow

*Short people got no reason,
Short people got no reason to live.*

Singer-Writer Randy Newman's hit single *Short People* has hit the Top Ten on the pop charts almost overnight. But along the way it has burned a lot of Americans who stand well under average height (reckoned at 5 ft. 9 in. for men and just under 5 ft. 4 in. for women).

Among other slurs, the song says that smaller folks have "little hands. And little eyes. And they walk around. Tellin' great big lies." The Little People of America, a national outfit boasting 2,000 members who are 4 ft. 11 in. or under,

has denounced the record.irate callers in several cities have persuaded radio stations to stop playing it. At first, Newman, who is 12 in. too tall to qualify for the Little People, laughed off the criticism. Now he's not talking at all, leaving his agent to insist that the lyrics are intended merely to ridicule prejudice of all kinds. If so, Newman seems to have fallen short of the mark.





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“Peace cannot be established should Israel agree to restore the fragile, breakable, aggression-provoking and bloodshed-causing lines preceding the fifth of June, 1967”



A toast that triggered a walkout: from left, Deputy Premier Yigael Yadin, Mrs. Rachel Dayan, Egypt's Kamel, Begin (at microphone), Vance



Delegations seated at opening session of the political talks in Jerusalem

Vance chatting with Egypt's Mohammed Kamel; Moshe Dayan at press conference



World

MIDDLE EAST

Sadat Shouts an Angry No

The Jerusalem talks end abruptly in a storm of bickering

"Peace cannot be built when a country treads on the land and sovereignty of another. When the Israeli Foreign Minister says we can sit and negotiate and go halfway, I answer: Halfway is, for us, to lose our land and our sovereignty. No!"

—Egyptian President Anwar Sadat

"Any Israeli Premier who compromises on the settlements would have to resign. Israel's Arab neighbors are implacable enemies. Egypt is an implacable enemy."

—Israeli Premier Menachem Begin

So much for the "spirit of Jerusalem." In a mood of cold fury, the Egyptian President last week abruptly broke off the political talks in Jerusalem between his Foreign Minister, Mohammed Kamel, and Israeli Foreign Minister Moshe Dayan and ordered the Egyptian delegation home. Scarcely two months earlier, Sadat had dramatically transformed the politics of the Middle East with his "sacred mission" to Israel. That venturesome act, as Sadat himself conceded, involved the risks of failure. By calling Kamel home, the Egyptian President had transformed the area's politics again, but this time for the worse: if the talks broke off—considering the heated atmosphere on both sides—it would take an extraordinary diplomatic effort to get them started again.

U.S. officials were left stunned by the week's events. President Carter described the breakdown in the talks as "very serious" but still insisted that "the prospect for peace, compared with a year ago, is quite good." Secretary of State Cyrus Vance also said that the peace talks were not "dead" but added sadly: "It's obvious we have hit a bump in the road." Vance, who had served as the essential mediator between the Israeli and Egyptian Foreign Ministers during the talks, flew from Jerusalem to Cairo after Kamel's walkout, in a futile effort to get the negotiations going again. He found an enraged Sadat obsessed with Begin's "arrogance" and what he regarded as Israeli intransigence.

At week's end Sadat gave a tough speech before the Egyptian parliament, in which he emphasized that the peace talks had collapsed because Israel refused to express its willingness to withdraw from Arab territory. Sadat acknowledged that the Israeli people had shown "in the most unmistakable human manner" their desire for peace, but he accused their government of deceit and said he had threatened war if Israel insisted on keeping its settlements in the Sinai (see box). "I will not allow a single settlement," Sadat said he told Israeli Defense Minister Ezer Weizman last month, "even if this requires that I fight you to the ends of the

earth." Sadat predicted that there was "absolutely no hope" of reaching an agreement. When the two sides began quibbling over how to word the Palestinian issue on the agenda, Vance briefly delayed his trip to Jerusalem as a signal to the Israelis and the Egyptians that they had to work harder on a compromise. The agenda problem was settled when the Israelis agreed to define the subject, as the U.S. had suggested, in strictly geographical terms—namely, the future of the West Bank and the Gaza Strip. The following evening, however, Begin warned 15 visiting American Congressmen that Israel had no intention of giving up its settlements in the Sinai; the Congressmen were surprised by both his language and his vehemence.

Neither Foreign Minister helped matters. Arriving in Jerusalem, Kamel declared there could be no peace as long as Israel occupied Arab land, including the Golan Heights and East Jerusalem, and the Palestinian people were denied the right of self-determination. "Time is of the essence," he said, "so let us invest it to the maximum and not just see it slipping through our fingers." Later that day, Dayan told a press conference that Kamel's statement was like "holding a pistol to our heads" and the Egyptian should take such statements "back to Cairo with him." Thus even before Vance and the Foreign Ministers had taken their places around a doughnut-shaped table (its hole in the center decorated with three potted palms) in a ballroom of the Jerusalem Hilton, it was clear that the euphoria generated by Sadat's visit had all but evaporated.

The most hostile incident, and the one that may well have roused Sadat's ire beyond control, occurred at a dinner given by Begin for his Egyptian and American guests. Both the Israelis and the Egyptians had privately agreed in advance that they would leave polemics aside for this occasion. The U.S. delegation—but not the Egyptians—were warned in advance that Begin might deliver a tough toast, and he most certainly did. His ten-minute speech turned into a near tirade as he



Anwar Sadat addressing emergency session of the Egyptian parliament
If a single settlement remains in Sinai, a fight to the ends of the earth

earth." Sadat praised the U.S. and said he would ask Washington to provide Egypt with a military arsenal as large and as sophisticated as the one it has provided Israel—not so Egypt could launch an attack on the Israelis, "but because the arsenal they have allows them to be so arrogant." On Sunday, after a meeting of his cabinet, Begin announced that in retaliation Israel would not send a delegation to the military talks, which were scheduled to resume in Cairo this week.

What had gone wrong? There had been forebodings for several days that the peace initiative was running into serious trouble. In two interviews on the eve of the Foreign Ministers' conference, Sadat

World

insisted that Israel would not go back to the "fragile, breakable, aggression-provoking and bloodshed-causing lines preceding the fifth of June 1967." With mounting fervor, Begin turned to the subject of self-determination for the Palestinians. "That wonderful concept of self-determination," he said, "was misused in the late '30s, and as a result of that concept, disaster was brought upon Europe, upon the world. . . . May I state: let never again that concept be misused, because we remember the late '30s and the result of that misuse." As his listeners understood, Begin was comparing the Palestinian claims to the West Bank with those of Nazi Germany on the Sudetenland, a predominantly German portion of Czechoslovakia, in the late 1930s—an analogy that was as undiplomatic as it was contrived.

The Premier went on to describe Kamel as "young" in comparison with Vance and himself, which the Egyptians interpreted as a patronizing reference to the fact that Kamel was named Foreign Minister only a month ago (Kamel, a former ambassador to West Germany, is 51; Vance is 60, and Begin 64.) Begin closed the toast by raising his goblet of apple juice* and saying, "L'chayim." (To life.) Kamel's response was brief and barely civil. "I thought we were going to have a sort of relaxed and social event tonight," he said. "I think the place to discuss these matters is in the meetings that will start tomorrow." He barely raised his glass. The temperature of the banquet hall seemed to drop 20°

The next day, however, Vance's efforts at behind-the-scenes negotiation apparently began to pay off. The formal closed meeting at the

table lasted only 23 minutes; the center of action was the Vance suite on the Hilton's 14th floor. There the Secretary talked alternately with Dayan and Kamel in a latter-day version of the "proximity talks" that used to characterize Arab-Israeli discussions. The negotiators were concentrating on the first agenda item: achieving a declaration of principles that would form the framework for an eventual settlement between Israel and the various Arab states. This declaration was regarded by Sadat as vital to the process; once an agreement on the framework had been reached, he hoped to be in a position to invite other Arab countries, especially Jordan and Syria, to join the talks.

Early that evening, State Department Spokesman Hodding



Vance and Begin embrace before start of Jerusalem talks

"We have existed for 3,700 years."

Carter III gave an optimistic briefing in which he assured newsmen that there was "no crisis, no deadlock, no breakdown." Things were going so well, he added, that the two sides might agree on the declaration of principles before Vance's scheduled departure for Cairo on Friday. Egypt and Israel appeared to be in agreement on provisions calling for territorial integrity, respect for sovereignty, ending the state of war and establishing normal relations among all states in the area; there remained the issues of Israeli withdrawal and Palestinian self-determination to be compromised somehow. As a group of reporters left the U.S. briefing and got on an elevator, another journalist stepped in and told them the Egyptians were going home immediately. Said one shocked newsmen: "I felt as if I had

walked through Alice's mirror."

Quickly the news spread that Cairo Radio had broken into its regular broadcast at 6:40 p.m. to announce that Sadat was calling his delegation home, in order to break the "vicious circle" into which the negotiations had fallen. Kamel, plainly as surprised as everyone else, claimed it was "quite natural" for him to return to Cairo to "report to my President." He called on Begin and remained for almost 90 minutes. Later, at about midnight, he was accompanied by Dayan to Ben Gurion Airport, where, curiously enough, the two Foreign Ministers talked for more than two hours. It was nearly 3 a.m. before Kamel climbed aboard his white-and-gold Egyptian jetliner for the flight to Cairo.

With the breakdown of the talks, the rhetoric on both sides escalated. Announcing Sadat's recall of his delegation, Egyptian Information Minister Abdel-Moneim Mahmoud

el Sawi said: "The fact that the Jews have been scattered around the world should not be a reason for the Palestinians to suffer the same fate." The Egyptian press began referring again to the Israelis as "black marketeers" and "Shylocks," and a government statement said, "Cheating, maneuvering and blackmail was Israel's style during the talks."

The night after Kamel went home, Begin gave a speech in which he denounced as "chutzpah" Sadat's insistence that the Jerusalem government should make concessions to the Arabs because Sadat had recognized Israel's right to exist. "We have existed, my dear Egyptian friends, without your recognition for 3,700 years," Begin declared. With great inaccuracy, he added: "We never asked your President or your government to recognize our right to exist." That outrageous comment may have angered Sadat more than anything else that Begin has said or done in the past two months. Reports TIME

Cairo Bureau Chief Wilton Wynn: "Sadat feels he risked the hostility of the entire Arab world by going to Jerusalem and publicly welcoming Israel 'to live among us in peace and security.' Now it seems to Sadat that the Israeli Premier is trampling on the greatest gift Sadat could offer him."

In Washington, high-level U.S. officials were more irritated by Begin's performance than by Sadat's decision to break off negotiations. Some Administration officials complained that the peace package Begin had presented to Sadat was not quite the same as the one he discussed with Carter in Washington last month. According to these White House sources, Begin said nothing to the President about



Sadat and U.S. Secretary of State after their meeting in Cairo

"A massive failure of communications."

*To accommodate Orthodox Jews in the Israeli government, the meal was kosher in deference to Muslim sensitivities, no alcoholic beverages were served.

maintaining an Israeli military presence in the Sinai after a peace agreement. Nor did he say that Israeli settlements in the West Bank would remain under Israeli protection. He saved those points for Sadat—and then asserted that they had Carter's backing, which they did not. The circumstance was reminiscent of Begin's first trip to the U.S. last summer, when he met with Carter for two days and never mentioned his intention of legalizing a number of hitherto unsanctioned Jewish settlements in the West Bank, which he went home and immediately did. As one Washington observer put it: "Apparently with Begin, if you don't ask the right questions, you don't get the right answers."

Despite the clarifications Sadat offered in his Saturday speech to the Egyptian parliament, speculation continued on what his real motives were. Theories ranged from the emotional to the strategic. The Israeli maneuvering over the agenda and Vance's threat to postpone his trip indicated that all parties were involved in an intensely serious form of high-stakes diplomatic poker. Sadat was obviously not only putting pressure on the Israelis, but on the Americans to put more pressure on the Israelis. He was also signaling to his fellow Arabs that Egypt was not interested in a separate peace. But observers in Jerusalem did not discount Sadat's visceral reaction to Begin's ill-timed toast.

Yet if Begin miscalculated the impact of his speech, Sadat may have misunderstood the dynamics of the Jerusalem conference. As is his custom in times of crisis, the Egyptian President had canceled all appointments and interviews and gone into seclusion at the Barrages, one of his many homes near Cairo. The reports from his Foreign Minister were presumably pessimistic during the first two days of the talks. By the third day, the negotiations were beginning to produce some encouraging results, but Kamel might not have had a chance to report to his President on the day's progress. Thus Sadat may have acted on the basis of inadequate information, and then found he could not reverse his course without losing both face and credibility.

Whether or not that theory was correct, it was clear that there had been, as one U.S. official put it, "a massive failure in communications." In the euphoric wake of Sadat's sacred mission, the Egyptians may have lost sight of the fact that Begin, as a parliamentary leader responsible not only to his Cabinet but to public opinion, is under pressure not to sacrifice too much too quickly. Moreover, Sadat's comforting words in his speech to the Knesset last November could not overcome the ingrained Israeli belief that true peace can only be ensured by treaties that provide for militarily secure borders.

An old Zionist warrior, Begin can seldom resist the chance to give friend and foe alike an extemporaneous lecture on his deep feelings for the Jewish people and their history of suffering. The Premier

Angry Settlers at "Little Sea"

Beyond his anger at Israel's general approach to negotiations, Anwar Sadat is outraged by Premier Menachem Begin's determination to hold on to 16 Jewish settlements in northern Sinai. Last week TIME's Robert Slater visited the largest of these settlements, Yamit (Hebrew for "little sea"). His report:

Community bulletin-board notices in Yamit range from the mundane to the momentous. One announces natural-childbirth classes; another appeals to the settler who left a pair of shoes in Sason's delicatessen to retrieve them. But mixed with these is a plea for volunteers to chauffeur townsmen to Jerusalem for a protest demonstration. Another seeks donations to a fund "to keep Yamit Israeli."

Established four years ago in the hot sun and sand of northern Sinai, 77 miles southwest of Tel Aviv, Yamit, like 15 other settlements near by, was built as an Israeli buffer between the Sinai and the Gaza Strip. Before last week's breakdown in peace talks, Begin had hinted that the territory might be handed back to Cairo. The idea touched off debate and diatribes throughout Israel, and the Premier subsequently said that the settlements would remain under Israeli sovereignty even if the Sinai is returned to Egypt. Prior to that promise, the settlers in Yamit were in an angry mood. The town is the one with the greatest expectations for growth. It now has a population of 1,500, divided almost equally between civilian residents and military families; the settlers hope that



In the Sinai, Yamit's rabbi stands before monument to Israel's 1967 victory

their seaside community will eventually become a regional center of 20,000.

"When Begin proposed giving back the Sinai, it just blew our minds," says Gary Mazal, 30, a New Yorker who settled in the desert 27 months ago. Mazal points out that Israeli governments have spent at least \$7.5 million so far to build attractive concrete apartments and single-family houses, their grounds surrounded by palm and guava trees, as well as shops, schools and workshops.

Further planning, for the moment, seems impossible; already one investor who was prepared to put up \$400,000 to build the settlement's first hotel has pulled back. The people of Yamit were outraged at the reaction when they offered 50 building lots for sale in Israel as a symbolic way to draw attention and secure support for their cause. The lots were sold quickly enough, but to speculators gambling on profits to be made from indemnities if and when the area is returned to Egyptian sovereignty.

Yamit's residents are Israeli and intend to remain so. Their streets are patchworked with blue-and-white Israeli flags snapping defiantly in the desert wind. Should Begin or another Premier eventually agree to return Sinai to Egypt, the settlers intend to try by court action to hold the government to a 1971 promise to keep the settlements under Israeli control. But most of the residents would leave if the Egyptians returned. Says Carol Rosenblatt, a 36-year-old mother of three from Miami Beach whose thatched-roofed restaurant is a local gathering place: "I brought my kids here to live in Israel." However, a few are uncertain. Says Belgian-born Dov Segal, 37, who three months ago opened Yamit's first supermarket: "I don't quite know what Egyptian sovereignty would mean. But until I hear the full explanation of what it would be like, I won't say no."

misestimated the wounding impact in Cairo of his public statements last week. The Israelis, who in negotiations frequently seem obsessed with detail, failed to understand that Sadat was interested primarily in signs of a new spirit in the discussions and not in the minute particulars of a document. The Israelis also displayed little understanding of Sadat's problem within the Arab world. The Egyptian President felt he was the injured party in last week's bickering. He had run out of concessions, he told colleagues. What worried him was that the Israelis did not seem to understand that after having made the enormous concession of going to Israel, he could not give any more on Sinai, the Palestinian issue or Jerusalem. If he did, he faced charges from his allies, particularly

Saudi Arabia, which is currently giving him \$2 billion a year in military and economic aid, that he was permanently splitting the Arab world and selling out his brethren.

From the beginning, Sadat had seen the conflict in terms of territory v. security: the Arabs would guarantee Israel's security, a thousand times over if necessary, if Israel would give back the Arab lands. In the end, he lost heart because he concluded that Begin was determined to have both security and a share of Arab territory.

Begin's motives are less easy to divine. He knows that Sadat is in no position to wage war; he knows that the peace initiative has made the Egyptian president vulnerable within the Arab

world. Yet he has taken a rigid stand on the Sinai settlements—where only 3,000 Jewish pioneers live and which are hardly essential to the security of Israel.

Presumably Begin believes that if he bargains away the settlements in the Sinai, he will make it harder for Israel to retain other Jewish settlements in the West Bank, Gaza and the Golan Heights. But he must also realize that to remain adamant on so marginal an issue as the Sinai settlements carries enormous risks. It could destroy Sadat, the Arab leader who told the Israelis two months ago, "We really and truly seek peace." It could also lead to a fifth Middle East war. In behalf of the old goals and the old rhetoric, Menachem Begin seems prepared to court such risks; whether his people agree is not yet clear.

Jordan's King Hussein: "I Am Not Optimistic at All"

The question had just been asked: Did he predict failure for the Jerusalem talks? As Jordan's King Hussein was about to answer, a door to his office in Amman's Basman Palace flew open and Abdul Hamid Sharaf, Chief of the Royal Court, burst in with a message. Scanning the note that had been handed to him, the King turned to his interviewer, TIME Cairo Bureau Chief Wilton Wynn. "I suppose," said Hussein with a grim smile, "we should be speaking in the past tense." The King read the dispatch aloud: President Anwar Sadat had withdrawn his delegation from Jerusalem and summoned the Egyptian parliament into special session.

Even before that unexpected news, Hussein's mood had been dour as he discussed the problems of Middle East peacemaking with Wynn. "If these talks fail," the King predicted, "we are then at the end of the road, the end of Resolution 242, the end of Resolution 338 [the broad United Nations Security Council blueprint for peace], the end of hope for peace. We will be heading for disaster in terms of this area and the whole world."

Hussein praised Sadat's initiative in going to Jerusalem as "courageous, and representing the longings within the souls of so many in the Arab world, a step forward to bring things to a head." But, he added, "so far, we have no confidence that Sadat will be met by a similar response from Israel. Frankly, after all these years of trying hard to see any glimmer of hope, I am not optimistic at all."

Although Egypt's President has lately become the Arab world's principal peace negotiator, no leader in the past decade has tried harder than Hussein to reach an agreement with Israel. The King looks back on his efforts as failures: "Ever since 1967, we have made it clear—before the 1973 war—that if Israel were willing to withdraw from territory occupied in 1967, we would be ready to negotiate or do anything to achieve that end. Far from getting a promise, we did not succeed even in getting a disengagement with Israel in the Jordan Valley."

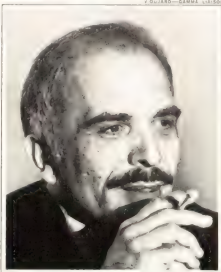
Would Hussein nevertheless still participate with Sadat in talks with Israel? "If we could see light at the end of the tunnel, we would not hesitate one second to negotiate. But we need a set of principles to provide that light." What sort of principles? "Israeli withdrawal from occupied territories, with minor rectifications on a reciprocal basis on the West Bank [since borders there are cease-fire lines rather than logical boundaries], Arab sovereignty over East Jerusalem, the right of return or compensation for Palestinian refugees, and

the placing of West Bank and Gaza occupied territory under international auspices until the inhabitants could exercise self-determination."

Hussein does not believe, as the Israelis do, that peace must necessarily be underpinned by military guarantees of security. "Security cannot be guaranteed," he said, "unless there is a peace between partners giving both dignity, something lasting. In Jerusalem, for example, if there is Israeli sovereignty overall in an open city, open to all people, that would lead to cooperation between Israelis and Arabs, in itself a security guarantee. If there is a link of some kind between the West Bank and Gaza, that would require cooperation between Israelis and Arabs, another guarantee. Removal of barriers, fruitful cooperation, these are the things that provide security, not some military installations which can be removed or may become obsolete."

Israel, Hussein charged, adamantly refuses to accept such principles of negotiation. Therefore, said the King with a discouraged shrug, even though Sadat had invited Jordan, "there was no room for us to go to the Cairo conference or to Jerusalem." The overall situation leaves the King disappointed and bitter: "We have been rebuilding since 1967, and now there is the possibility of everything going to pieces. How we would like to have peace, so that we can continue raising the standards of our people."

As Wynn left the King's office, an aide observed: "The only thing left to do is to pray." Hussein spread out his arms and answered: "I have already prayed."



COLLIER—GAMMA LIAISON

World

GERMANY

Frost Is Forming Along the Wall

A not-so-Communist manifesto hurts East-West relations

The signs of East Germany's icy displeasure were unmistakable. Bound for East Berlin on a private visit, West German Christian Democratic Party Leader Helmut Kohl and three aides last weekend routinely handed over their passports at the Friedrichstrasse checkpoint near the Berlin Wall: there a squad of gray-coated *Grenzpolizei*, the Communist border guards, brusquely barred their way. Kohl had crossed the Wall several times in the past, but this time he was forced to wait at the checkpoint for an hour and then was told that his visit was "undesirable." Although the Bonn government protested that the East German action was in violation of three treaties, border guards then prevented two other West German members of Parliament from entering the East. At the same time, many motorists seeking to drive into West Berlin via the East German *Autobahn* were being halted and subjected to searches by Communist police. The political forecast was for one of the sharpest freezes in relations between East and West Germany since the two states estab-

lished diplomatic ties five years ago. The trouble began earlier this month when the West German weekly *Der Spiegel* published a 30-page manifesto issued by a group of underground dissenters in East Germany who called themselves the League of Democratic Communists of Germany. The document denounced the Soviet Union for "brutal exploitation and suppression" of East Germany. With bitter sarcasm, the anonymous authors called their country "a pathetic imitation of a Soviet Republic whose worst features have been reinforced by German thoroughness." Noting that Stalin had concentration camps even before Hitler, the manifesto charged that the "barbaric" Soviet system had since 1945 claimed "more victims in Eastern Europe than Hitler's Nazism and World War II." The manifesto called for the restoration of basic freedoms and the reunification of Germany, after the East has withdrawn from the Warsaw Pact and the West from NATO.

The manifesto also attacked corruption and greed in the government of Party Chief Erich Honecker. "These Politburo-crats are sick with conceit," the document declared. "No ruling class in Germany has ever sponged on others the way the two dozen ruling Communist families have, using our country like a self-service store." Accused of living in "golden ghettos," the leaders were said to have "enriched themselves shamelessly in special shops and by privately ordering goods from the West." The worst offender was Honecker himself, who, the manifesto charged, had "stuffed the homes of his relatives from cellar to roof with the most modern Western conveniences" and obtained highly paid jobs for his wife and in-laws.

Alarmed by broadcast stories about the manifesto on West German TV, which is watched by 80% of East Germans, Honecker called a Politburo meeting to deal with the crisis. The party leadership closed *Der Spiegel's* East Berlin bureau, the first such Communist action since East and West Germany agreed to exchange journalists in 1972. A wide-scale press campaign in the East tried to discredit the manifesto as a "malicious concoction" of West German intelligence. Initially some Communist-propaganda experts in Bonn had suspected the document's authenticity. Now, however, there is agreement that the manifesto was composed by a small group of dissidents and low-level party members in the East.

In yet another move to counter the impact of the document, the Communists stepped up their accusations that the Federal Republic had been guilty of spying on the East. Immediately after the manifes-



East German Party Chief Erich Honecker
"Stuffing the homes of his relatives."

to's publication, the East German news agency ADN reported that Günter Weinhold, 40, a senior official in the West Berlin government finance department, had been arrested in East Germany for espionage. Last week courts in East Berlin meted out sentences of seven to twelve years to three West Germans charged with spying. Meanwhile, Bonn believes, the East Germans are stepping up their intelligence activities in the Federal Republic. A Bonn parliamentary committee last week held hearings to determine how much damage resulted from deep penetration of the West German Defense Ministry by three East German spies.

Despite the charges and counter-charges, both governments were avoiding actions that would lead to an open break. Dismissing the manifesto as a mere "atmospheric disturbance," the East German official envoy in Bonn, Michael Kohl, declared that the Communists "retain their interest in a continued improvement of relations." Last week West German Chancellor Helmut Schmidt stated soothingly that he felt the East German leadership "intends to continue the process of relaxation of tensions." In fact, there are good reasons for both sides to pursue *Ostpolitik*, Germany's form of détente. East Germany's stake in good relations involves \$1.2 billion in loans from Bonn and exports to West Germany that totalled \$939 million in the first half of last year. For West Germany, *Ostpolitik* has meant preserving the security of geographically isolated West Berlin. It has also allowed an average of 6.9 million West Germans to visit relatives in the East each year, and 45,000 East Germans to emigrate to the West since 1972. "Our ties to the other part of Germany are not without burdens, and the present new strains are a setback," Schmidt said last week, "but there is no alternative to détente." ■



East German soldiers on guard at the border
Also, searches on the *Autobahn*



Premier Andreotti (left) and Berlinguer (right) take salute from ceremonial guard at separate meetings with President Leone in Rome

ITALY

Another Government Dissolves

No easy solution is in sight for the Christian Democrats

As expected, Italy's 39th government since the fall of Fascism in 1943 went the way of all the others last week. But nothing demonstrated the changing times and mood more than the manner in which the government fell.

In 1973, Premier Giulio Andreotti, who then headed a center-right coalition made up of his Christian Democrats and the conservative Liberal Party, lost 13 consecutive parliamentary votes before calling it quits. This time Andreotti's 18-month-old government did not so much fall as dissolve. To avoid a showdown vote that would have poisoned the atmosphere and left the parties in a state of political war, he bowed out quietly, imploring his party to exercise "general prudence."

There was good reason for his discretion. The challenge facing Italy is a forceful, intensified demand by the Communists for a direct role in an emergency government that would deal with Italy's mounting economic, labor and law-and-order problems. The Christian Democrats' dilemma: find a compromise that would give the Communists new power in governing Italy, however that role might be disguised, or face the trauma of another early national election that would further polarize the country.

The stage for Andreotti's resignation was set last month with the collapse of the six-party programmatic accord by which the Communists and four other nonruling parties abstained on key votes and thus kept the minority Christian Democratic Cabinet afloat. Three parties, led by the Communists, then demanded formation of a multiparty emergency government. The tiny (four seats) Radical Party, which specializes in goading both the Christian Democrats and the Communists, subsequently called for a parliamentary debate on the government. The Communists passed the word that if Andreotti did not resign first, they would introduce a motion of no-confidence.

Accepting the inevitable, Andreotti



Fanfani leaves Quirinale Palace

last week convened a farewell Cabinet meeting and drove to the Quirinale Palace to tender his resignation to President Giovanni Leone. The President immediately began the time-honored ritual of inviting officials of all parties to the Quirinale for talks. Among them: Communist Party Boss Enrico Berlinguer, Socialist Party Leader Bettino Craxi, Neo-Fascist M.S.I. Chief Giorgio Almirante, and two Christian Democratic veterans, Benigno Zaccagnini and Amintore Fanfani. After all that, Leone asked Andreotti to try to form a new government.

There was more than a reasonable doubt as to whether he would succeed. The Christian Democrats have perceptibly stiffened their resistance to an emergency government. Partly as a result of the strong U.S. admonition against allowing Eurocommunists into power, they are more reluctant than ever to join the Com-



M.S.I. Chief Almirante after talks with Leone
Essentially, the same haunting dilemma

munists in a parliamentary majority coalition. Explained one Western diplomat, "The stand of the Americans has encouraged those Christian Democrats who are opposed to any sort of Communist participation in government and made the others stop and think."

High among the fears of Christian Democrats, not to mention Western strategists, was the possible effect on NATO should Communists enter the government. Italian officials denied, however, that the Communists would have access to defense or foreign ministry secrets. Outgoing Minister of Trade and Industry Carlo Donat-Cattin argued that Communists in the government would provoke "very grave" financial and monetary repercussions because foreign capital would be scared off. "I don't want elections either," said Donat-Cattin, "but the biggest political mistake is to turn from hard choices for fear of elections, which are necessary when differences become irreconcilable."

Meanwhile, the Communists stepped up their pressure for a direct governing role. Reason: mounting protests among their rank and file, especially students and trade unionists, against the policy of tacit cooperation with Andreotti. Berlinguer warned that if the Christian Democrats



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World

PORTUGAL

An Odd but Hopeful Coupling

Soares' Socialists team up with the conservatives

did not provide an acceptable solution to the crisis, an election was not the only alternative: a leftist government could be formed without them. Theoretically, at least, the five parties of the left, combining with the centrist Republicans and Social Democrats, could assemble a slender, ten-vote majority in the Chamber of Deputies. That would exclude the Christian Democrats altogether. Berlinguer insisted there had been no change of policy. But mention of a possible government without the party that has ruled uninterruptedly for 32 years was a departure from his heretofore unwavering doctrine of the "historic compromise"—that is, taking power in an alliance with the Christian Democrats and other parties.

The Christian Democrats' dilemma was essentially the same one that has haunted them since the 1976 general election standoff: they cannot govern with the Communists, because of strong ideological differences, and they cannot govern without them, because of the power the Communists represent. And now Berlinguer's party is demanding full political recognition in return for its support. Even a programmatic majority, by which the Communists might vote yes on agreed points of policy while continuing to abstain on the government's confidence vote, was not going to be enough. "It's a joke," one Communist official remarked. "Everything would remain the way it was before. We would have to swallow more bitter pills than we did in July."

At week's end three possible solutions were being discussed by Andreotti and his colleagues. All involved major concessions to the Communists. One would be a coalition Cabinet composed of Christian Democrats and Republicans, which would rule with the support of the Communists and other parties. A second solution would be a coalition of Christian Democrats and Socialists, who would act as guarantors of leftist interests in the Cabinet and of pro-Western principles in the parliamentary majority, which would include the Communists. Although this approach might be the least offensive to Andreotti's party, because technically the Communist vote would be supplementary and not essential, the hopelessly divided Socialists would not go along at this stage. The third solution, which might be the most acceptable one to the Communists, would be a Christian Democrat minority Cabinet including a number of prestigious technocrats who would act as proxies for the left and give the government something of a nonpartisan cast. But since it would openly depend on the Communists in an unadorned emergency majority without the "cover" of other parties, that solution was least acceptable to the Christian Democrats.

For Italy, it seems clear, the hard political crunch is just beginning—and it is likely to be some time before any political solution becomes reality. ■

Even as Italy's government was falling, Portugal was getting a new one, thus ending a 41-day political crisis that began when Premier Mario Soares' minority Socialist government lost a vote of confidence. President António Ramalho Eanes had asked Soares to try again. After failing to work out accords with the right-of-center Social Democrats and the Communists, Soares last week succeeded in forming an alliance with the conservative Center Social Democrats (C.D.S.). The Socialists' 102 votes in the 263-seat legislature together with the 41 votes of the C.D.S. will give the new government a majority of 23.

It is an odd coupling. Only three years

ago, Soares' Socialists teamed up with the Communists to form a government for about six months. Reason: a census would be required first, in order to register newcomers to the electoral rolls, notably refugees from Portugal's former African territories. Furthermore, the government crisis had halted crucial negotiations in progress with the International Monetary Fund, which has demanded an austerity program to check inflation and reduce trade deficits as a condition for \$750 million in emergency loans to Portugal. Said Freitas do Amaral: "By the middle of '78 we would have been on the brink of bankruptcy with our national independence threatened. The C.D.S. could not take the responsibility for pushing the



Socialist Premier Mário Soares (left) and C.D.S. Leader Diogo Freitas do Amaral

Getting together for a limited time to solve concrete problems

ago, Soares touted his own party as the "farthest left of any Socialist party in Europe." At the same time, leftists were castigating the C.D.S. as "reactionary and a refuge for capitalists and former fascists." Both parties have since moved closer to the center. C.D.S. Leader Diogo Freitas do Amaral pointed out last week that similar alliances have worked in other countries in periods of crisis. "We can get together for a limited time to solve concrete problems," he said. "Neither party has had to renounce anything."

Nonetheless, the Communists protested that the alliance "threatened democracy" and "opened the door to the neo-fascists." Other critics of Soares charged that he had sacrificed his principles in an effort to keep his power. But the "once and future Prime Minister," as he is called in Lisbon, could reasonably argue that the alternative to a new Socialist-led coalition would be disaster. If President Eanes had decided to call for new elections, the country would not have had a work-

country into a situation like that."

The credibility of the Socialist Party, already tarnished in leftist circles by its pragmatic moves to the right, was further hurt by a scandal involving Edmundo Pedro, who resigned last week as a member of the party secretariat and head of the national television network. Pedro was arrested for illegal possession of 35 G3 automatic rifles, various pistols and ammunition. He claimed he got the weapons from the military, which handed them out during the aborted 1975 leftist uprising. Last week the army chiefs of staff confirmed that arms had been distributed to "democratic elements" when "totalitarian forces"—meaning the Communists—threatened to install a dictatorship. Radical newspapers of both the left and right pointed out that the populist General Otelo Saraiva de Carvalho had been condemned by the Socialists and moderate officers for condoning distribution of army weapons to leftist workers in 1975. ■

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microprocessor called MAC-8 is less than one-tenth the size of a postage stamp yet contains the equivalent of over 7,000 transistors. The MAC-8 can execute several hundred electronic "thinking" functions, yet it will operate on only one-tenth of a watt of power.

Smaller vehicles power giant fleet.

Twenty-two per cent of Bell's energy requirements are in fuel for its fleet of over 170,000 vehicles, the largest privately owned and operated motor fleet in the world. Here, a number of commonsense procedures have been adopted: engines are carefully tuned for peak efficiency, smaller and more fuel-efficient vehicles are being used, and shuttle services have been set up between some company locations. In addition, New York Telephone Company is experimenting with nonpolluting, energy-saving electric-powered trucks. Due to these and other efforts, the Bell System in 1976 used over five per cent less motor fuel than in 1973.

Even employees' body heat is used.

Heating, lighting and air conditioning of Bell System's 25,000 buildings account for 45 per cent of its energy needs. Broad economies have been achieved simply by removing thousands of unnecessary lights; by lowering temperature settings; by cutting back on hot water temperatures; and by heating or cooling unoccupied areas only to the extent required for equipment operations.

Moving beyond the obvious conservation measures, the Bell System created a building energy management program to redesign and retrofit existing buildings to improve their energy efficiency. Two examples of other power-saving programs at Bell facilities:

- On windy Block Island, Rhode Island, the New England Telephone Company began operating a wind

dynamo in September, 1976. It can produce up to 15 kilowatts of electricity to power a central office and microwave radio terminal. Excess power from the windmill is fed back to the power company.

- In AT&T's new Basking Ridge, New Jersey, facility, an innovative computerized system heats about 1½ million feet of office space by recovering excess heat from the building environment — lights, equipment and the body heat of employees. It is estimated that the system uses 25 per cent less energy than conventional heating/cooling systems.

Bell trials of solar heating and cool-

Windmill helps power central phone office and microwave radio terminal (tower at right) on Block Island.



ing are providing valuable data which should lead to more widespread use of alternate energy systems.

Today, throughout the Bell System, our commitment to energy conservation is more than a goal; it is an ongoing reality. And in looking to the future, we anticipate that in 1982 we will still be using no more energy than was used in 1973. *Keeping your phone system the best in the world.*



Bell System

Business

Softer, but Still No Slump

Yet tire kickers are kicking, gently, about less car for more money

For Detroit's automakers, success is measured by how many cars they sell in a year. The industry takes its pulse regularly, in ten-day intervals, by reporting deliveries of new vehicles by manufacturer and name plate. Those figures can be cause for smiles or scowls, but right now they seem to be causing neither to any great extent. True, new-car sales were down during the Jan. 1-10 period, v. the same period a year ago—the sixth consecutive decline. But neither Detroit's automakers nor Wall Street analysts seem particularly worried. As Dick Barrett, a Cadillac dealer in Youngstown, Ohio says, "I don't see a big increase, but 1977 was a very good year, and without any increase we'll still have a good year."

General Motors' Chairman Thomas Murphy was still adhering last week to his hopeful forecast of 11.75 million cars to be sold in the U.S. this year. That would be handsomely above the 11.1 million units sold in 1977, and even ahead of the record 11.4 million cars sold in 1973. Most other auto executives' predictions are in Murphy's ballpark, though not quite so far up in the bleachers. Even industry analysts on Wall Street, who are generally less optimistic than the automakers, see a good if not great year ahead, with sales well above 10 million vehicles.

The sales picture since the start of the 1978 model-year in September has been mixed, with buyers generally favoring Detroit's smaller offerings. GM's Chevette, introduced in 1975 as a response to soar-

ing gasoline prices and mandated federal fuel economy standards, is now the industry's hottest seller; its sales have doubled in the past three months. Ford's Fairmont, a new '78 compact, and Mercury's Zephyr have replaced the Maverick and Mercury Comet. They have also been standouts, with sales jumping 300% over their predecessors'.

Chrysler started the model-year with only one new name plate and wound up 1977 with about 10% of the market, its lowest share since the early '60s. But the company has high hopes for its Omni compact, which made its debut last week. At a list of \$3,706, the Omni is Detroit's first front-wheel-drive car with a transverse engine, and has earned *Motor Trend* magazine's "car of the year" award, which is usually a boost for sales.*

So far, buyers seem to be showing solid interest in the subcompact Omni and its nearly identical (except for trim) Horizon sibling. Chrysler hopes that brisk orders will make up for a turndown in sales for its compact Aspen and Volare models. At 30 m.p.g., the Omni and Horizon exceed federal fuel economy standards for 1985, thus putting Chrysler in a good position for taking direct aim at Japanese competition (Toyota, Datsun) and Volkswagen's Rabbit, which will begin

rolling off a VW-built assembly line in Pennsylvania in April.

Also faring well, but not as well as expected, are Detroit's "scaled-down intermediates," mainly such mid-size GM cars as the Oldsmobile Cutlass, Pontiac Grand Prix, Buick Century and Chevrolet Monte Carlo. Lighter and more economical than their ancestors, the new middies' prices are causing some buyers to balk over what they see as getting less car for more money. That has put dealers on the spot. Says Detroit Ford Dealer Jim McDonald: "The customers feel that since a car is smaller, it's bound to have less in it. Our job is basically education—showing them that the cars have as much as before but are just better packaged." What GM in particular has done, complains *Motor News Analysis*, a trade newsletter, is produce "£7,000 sardine cans."

Result: the 36-month car loan is on the way out, with as many as 40% of buyers opting for 42- and 48-month loans. But prices are such that payments are still high. Laments a Detroit ad salesman: "I used to pay \$131, and now it's \$186 a month. That's a helluva jump, isn't it?"

The Big Four automakers went into January with plans for 13% production increases. So far they have actually produced only 2.5% more vehicles, or a total of 535,500 cars, than the previous January. Assembly lines for some name plates have been shut down briefly—one to two weeks—to allow demand to catch up to supplies. But Detroit is not nearly as

*Though not always a guarantee of success, the ill-fated Corvair, which a then little-known lawyer named Ralph Nader said was unsafe, also won the magazine's accolade in 1960.



Olds Cutlass, Chevrolet Monte Carlo: shorter, much lighter than last year, and sales below expectations



Ford Fairmont, Chevrolet Chevette: trim, gas-sipping designs that are Ford and GM's hot sellers



Dodge Omni: Chrysler's new front-drive entry



weighted down with inventories as it was during the 1974-75 recession. As of last week, the industry had a 69-day supply of cars on hand, slightly above normal.

However the year's final sales tally turns out, 1978 models will be notable for other reasons. Detroit is now producing small, or at least smaller, en masse, instead of simply talking about it. The resulting products are leaner, tighter, more economical and technically sophisticated than any other crop of vehicles in the industry's history. Detroit's scale-down is already showing up in car-rental agencies. National calls a Pontiac Grand Prix a full-size car and charges accordingly, even though what the driver gets is a vehicle about as big as yesterday's intermediate. ■

Bitter Bust-Up In Filmland

Revolt at Transamerica

It was noisy and public enough to have been the bust-up of a particularly rocky Hollywood marriage, which in fact was just what it had been. The principals were the top executives at Transamerica, the San Francisco-based insurance-manufacturing-entertainment conglomerate, and the management of its United Artists subsidiary. With Oscar-winning smashes like *Rocky* and *One Flew Over the Cuckoo's Nest*, United Artists is Hollywood's most successful film producer. But after closing the books on their best year ever, U.A.'s entire brain trust, including Chairman Arthur Krim and President Eric Pleskow, up and quit.

In 1967 United Artists merged with Transamerica, which was built by John R. Beckett, a former investment banker. Krim, now 67, and his longtime colleague Robert Benjamin, 68, U.A.'s finance committee chairman, are among Transamerica's biggest shareholders, with a total of \$05,000 shares, worth about \$7 million. But when Pleskow suddenly quit, Krim and Benjamin decided to follow. Last week others joined the exodus, among them Senior Vice President for Production Mike Medavoy, 37, who is considered tops at measuring popular tastes and making money-spinning deals.

Krim cited a history of friction between the freewheeling movie firm and the textbook-style conglomerate. "This is one business that is really different," he said. Krim and Benjamin, both New York lawyers, acquired the business in 1951 from Charles Chaplin and Mary Pickford, who helped start the firm as a place that would allow independent film makers to work without the restrictions imposed by major studios. Run from a dingy Manhattan headquarters, U.A. has no production facilities, but operates in effect as a banker and distributor for movie people seeking an honest count at the box office and exceptional artistic freedom. It has attracted such diverse talents as Woody



United Artists' defectors Arthur Krim, Robert Benjamin and Eric Pleskow



Transamerica's chairman Beckett

Three flew out of the cuckoo's nest.

Allen, Francis Ford Coppola and Joe Levine. Laments Producer Norman Jewison: "You could walk into United Artists with any crazy dream, and no one would say it was preposterous." U.A.'s venturesomeness paid well too: its 1977 revenues of \$469 million from movies, TV rentals, records and music publishing represented a 24% increase, while net profits for the first nine months alone were \$20.8 million, larger than for any previous year.

Yet Krim says U.A. suffered all sorts of indignities, including the imposition by Transamerica of a computerized profit forecasting system that Krim considered "a joke" in the instinctive movie business. But most galling of all were the consequences of the fact that under Transamerica's umbrella, U.A. had become an "invisible company," with no stock exchange listing of its own. Although shares of other moviemakers such as Columbia and 20th Century-Fox have been shooting up on the strength of box-office hits, Transamerica's stock has hung listlessly in the \$13-\$16 range. The U.A. executives saw the shares drop from a high of 40% in 1968, and Pleskow could not offer his subordinates contracts, bonuses or stock options. Consequently, he said, "as our success story grew, our top men became targets for other companies."

Beckett could share Krim's concern about flat share values. Despite its unim-

pressive performance on the stock exchanges, Transamerica also had an impressive 1977: its revenues increased from \$2.7 billion in 1976 to more than \$3 billion, while profits rocketed upward by 46%, to \$169 million. (United Artists contributed about 15% of both Transamerica's revenues and its earnings.)

As United Artists' new chairman Beckett named James Harvey, who is also a Transamerica vice president for the leisure-group operations, U.A.'s chief executive will be Andy Albeck, who was formerly U.A.'s vice president of operations. Among other assets, they inherit a fat list of 26 movies planned for release in 1978, including *Hair*, *Apocalypse Now*, *Lord of the Rings* and Woody Allen's first film since *Annie Hall*.

Beckett insists that U.A. will continue to prosper, pointing out that it still has "one of the best distribution systems in the world." Krim and Benjamin, who resigned from Transamerica's board last week and will not sell their Transamerica stock, may see an advantage there. "They are now in a position to go into the production end of the business," notes Beckett. That prospect is by no means definite, and the U.A. refugees are still considering several options. It would, however, afford the brilliant team a method of rewarding themselves handsomely and at the same time continuing their familial relationship with United Artists. ■

Options Scam In Boston

Where is "James Carr"?

To his neighbors, James A. Carr seemed a solid citizen. He was the smooth-talking president of Boston-based Lloyd, Carr & Co., which billed itself as the nation's largest firm in the arcane field of commodity options, and in less than two years had spawned twelve offices, reaching west to San Francisco. He lived in a \$200,000 harborside house, drove his wife and three daughters around in a Rolls-Royce, and gave sage interviews to

Business

Boston newspapers. Last week he appeared to have also been the author of one of the biggest frauds to surface in years.

Carr was arrested in Boston on charges that he had failed to obey an order by a Michigan federal court to cease violating securities laws. After Carr was released on \$100,000 bail, authorities believe, he fled to Bermuda or the Cayman Islands. An FBI fingerprint check revealed that "James Carr" was really one Alan Abrahams, an escaped convict with a 22-year criminal record, who in 1974 had fled a New Jersey prison farm, where he was serving a sentence for a commodities scam. Officials say that Lloyd Carr may have swindled investors out of as much as \$75 million over the past 18 months. Investigators found that one escrow account in a Boston bank supposed to contain \$3.6 million to safeguard clients' funds contained only \$200. Massachusetts authorities believe the total siphoned off in their state alone could reach \$12 million.

Abrahams had no difficulty slipping through a superficial SEC and FBI name check in 1977 and getting a license as a commodity trading adviser from the



Alan Abrahams

Commodities Future Trading Commission, the federal agency created in 1974 to regulate the industry. He set up Lloyd Carr in mid-1976 to specialize in the most speculative of all investments: options in futures of such items as coffee, sugar, cocoa and copper, which are traded on the London commodities market.

Clients would pay Lloyd Carr large sums to purchase rights either to buy or sell a "commodity futures contract" maturing at some given date in the future. Trading in U.S. commodity futures options has been banned in America since 1936, but dealers can offer options based on the London market. Carr's firm did this and prospered; it grew to employ 1,000 salesmen, and got the blessings of the Boston Better Business Bureau as well as a Dun & Bradstreet "triple A" credit rating.

According to evidence gathered by officials of several states, the firm used high-pressure telephone sales tactics. During one 30-day period, the Detroit office made more than 50,000 long-distance calls; prospects were harassed with what Noel Fox, a Detroit federal judge, called "unrestrained and unambiguous predictions

of certain or enormous profits." Salesmen were driven hard: sometimes, men wearing gorilla and Superman suits pranced around urging them to boost orders.

Judge Fox cited one deal in which a customer was billed \$8,000 for an option that was being sold for \$2,500 by other firms. Indeed, investigators wonder whether the firm ever made any of the options purchases that it claimed to. Two of the three London-licensed traders that Lloyd Carr supposedly used as brokers deny ever having had dealings with the firm; the third, based in Bermuda, turns out to be owned by Carr.

Last week a federal judge in Massachusetts ordered the firm to cease operating and placed it in receivership. Many questions remain as to why the regulators did not investigate and act sooner. Although the CFTC denied the firm registration, Lloyd Carr continued its operations for several months while challenging a shutdown order. Criminal fraud was never an issue during that period. However, some critics maintain that the CFTC withheld evidence that hampered state investigations. At week's end the only response from embarrassed CFTC officials was that they were not changing operational methods. As for the elusive Abrahams: Criminal Lawyer F. Lee Bailey said that he would appear to answer the charges against him.

Investor	No. companies in which it has the most stock votes	No. companies in which it is among the top five stockholders
Morgan Guaranty Trust	27	56
Citibank	7	25
Teachers Insurance & Annuity	2	24
Capital Research & Management	2	19
Prudential Insurance	4	18
Dreyfus Corporation	4	17
National Bank of Detroit	5	17
Kirby Family Group - Allegheny Corp.	4	16
BankAmerica Corp.	1	15
Fidelity Management & Research Corp.	2	13
Manufacturers Hanover	1	12
Bankers Trust	0	11
First National Bank of Chicago	2	11
Lord, Abett & Co.	2	11
Equitable Life Assurance	2	10
First National Bank of Boston	0	10
Harris Trust & Savings	2	10
Chase Manhattan Corp.	3	8
Continental Ill.		
Nat'l Bank & Trust	3	8

Where the Big Blocks Are

Way back in 1932, Adolf A. Berle and Gardiner C. Means showed in *The Modern Corporation and Private Property* that one can control a corporation by controlling even a minority of its shares. Hence it is no surprise that today's institutional investors—bank trust departments, pension funds, insurance companies and the like—exert great influence over companies and securities markets. Just how concentrated, however, is such influence? In 1975 Congress ordered the SEC and other regulatory bodies to supply it with new information on who owns what. Armies of lawyers descended upon the capital, arguing that such disclosure would be costly and difficult, and so far only one agency (the ICC) has compiled a report.

But Montana Democratic Senator Lee Metcalf asked Senate Aide Victor Reinemer last June if he could not do better. With the help of two assistants and a research firm called Corporate Data Exchange, Reinemer dug through tons of information, most of it on the public record, involving 122 major corporations. Last week the study was published. Of the firms, 56 either had more than 5% of their shares voted by a single institutional investor, had more than 10% controlled by five or fewer such investors, or had 10% owned by a single family. Among the top five stockholders in each of the 122 companies, twelve investors showed up more than half the time. New York's Morgan Guaranty Trust was the No. 1 stockholder in 27 corporations. Morgan, Citibank, Chase Manhattan and other top investors also appeared as the principal shareholders in each other.

Morgan Guaranty was quick to respond. Said a spokesman: "Where are the examples of abuse?" Indeed, the study shed a lot more light on the extent of stock-power concentration than on its effects, good or ill.

Living

Japan's Picasso of the Flowers

Blue Wind blows new life into an ancient art

"There are many beautiful things."

Sofu Teshigahara has written. "The silent beauty of a flower surpasses them all. Among beautiful women there are said to be silent beautiful women, but none can compare with the silent flower." Sofu (the name means Blue Wind) is revered for such views in a land where a beautiful blossom is a benison. Round, gnome-like Teshigahara, 77, is Japan's most innovative and successful master of the ancient art of *ikebana*, which bears about the same relationship to flower arranging as usually practiced in the West as Rachmaninoff to country rock. Within that art, Sofu is commonly referred to as "the Picasso of flowers."

Sofu's Sogetsu (Grass Moon) school not only has a multifoliate following (more than a million dues-paying members) in Japan but has won converts and mounted shows from Moscow to Milan, Manhattan to Paris (where Sofu was made a *chevalier* of the Legion of Honor). Last week in Tokyo he formally opened his school's eleven-story headquarters building, designed by Japanese Architect Kenzo Tange. It overlooks the palace of Crown Prince Akihito, whose family has traditionally been a patron of the flower art.

Ikebana has been entwined in Buddhism almost since the religion was introduced to Japan in the mid-sixth century; it started with floral offerings laid at the altars. Sofu has made it a highly secular art and brought it into the age of abstract expressionism. His Grass Moon school has gone beyond the simple (but stunning) classical *ikebana* arrangements of a bent twig and a dewy blossom arrayed in a water vase or a bamboo tube. In containers that may be ceramic sculptures or Chinese wine kegs, Sofu will blend the blooms with shells, stones, iron, leaves, driftwood, dried grass,

dead flowers or dyed feathers. Explaining his break with tradition, he once proclaimed: "We should always look forward to a fresh and vivid world and not become buried in retrospection."

Sofu is not so much an iconoclast as a breath of Blue Wind in Japan's traditionally hermetic culture. He is an accom-



plished painter, in both Oriental and Occidental styles. His spiny wooden and metal sculptures have been exhibited in New York, Milan and Paris. He is considered by some to be among his country's finest calligraphers. The *ikebana* that the Grass Moon master teaches and practices appeals to modern Japanese—and Westerners—for whom visual impact is more important than spiritual complexities.

The son of Wafu (Harmonious Wind), a master *ikebanist* of the Misho school, young Sofu found himself disenfranchised by what he called the "shackles of tradition. You could produce a masterpiece only when you succeeded in emulating 17th century masters in all possible details." At 18 he rebelled and invented an *ikebana* all his own. When he told his father it represented "an extension of his individualism," Wafu slapped his face. Seven years later the upstart left home to found his own school where his works could reflect his "burning and brimming emotion." Now his son, Hiroshi, 50, a famed film director (*Woman in the Dunes*) is vice president of Sofu's company and its chief ceramicist; his beautiful daughter, Kasumi, 45, also a vice president, is almost as celebrated a practitioner of *ikebana* as her father.

Thanks to an elaborate system of dues and payments for an ardently achieved series of diplomas, plus earnings from his many books, a monthly magazine and lecture fees, exquisite amounts of yen flow in to Blue Wind. It is only his due. Says Sofu: "If I were not around, *ikebana* could never have come anywhere near its present flowery apex." Sofu travels in a chauffeured white Cadillac and has a Western-style house that reportedly cost \$830,000. In it, he has a regal art collection. Yes, the Picasso of Flowers owns several canvases by Picasso, the Sofu of painting.



Sofu Teshigahara with *ikebana* (from left, clockwise) of anthurium, sallow blossoms, gloriosa lilies and Rohdea, in vases ancient and modern. Out of 17th century shackles into a vivid world of individualism, abstract expressionism—and exquisite amounts of yen

Sport

Did Joey Eat?

Jai-alai's Jewish superstar devours all opponents

Joe Cornblit is a nice Jewish boy from Miami, and his mother has a complaint. Her son the jai-alai player is the hottest betting commodity in town. Not only is he the first American to equal the Basque masters of the sport, he is, at 22, a reigning champion. Since around \$350,000 is wagered each performance in the fronton where Joey holds sway, Mrs. Cornblit, a metalworker's wife, has been besieged by telephone calls. "Did Joey eat his breakfast?" "Did he sleep well?"

Her answers are reassuring, but the emphatic reply comes on court. Last year Cornblit was the overall winner at Miami's World Jai-Alai, the premier palace of the game. In the second month of a season against 46 of the top professional players in the world, Joey again leads in overall wins (32) and front-court doubles championships (8) and has a shot at the singles title as well. No player has ever won the triple crown of jai-alai in Miami, but observers—and rabid bettors—believe Joey has a chance. Says Betting Clerk Emilio Posada: "There's a fanati-

cism at the window when Joey's playing."

While jai-alai has been played for centuries in the mountains of Spain—where boys begin strapping on the huge, curved wicker *cesta* as toddlers—the game is played mainly at the \$2 window in the U.S. In Florida, minors are barred from frontons, but as a youngster Cornblit got around the rules by climbing to the roof and staring through a vent at the leaping, whirling players below. After three years of instruction, primarily from a Cuban coach, he won a bronze medal at the 1971 World Championships at Saint-Jean-de-Luz, France. He was just 15, but his lightning reflexes and devastating "kill" shots—150-m.p.h. caroms that whistle off two walls and the floor before bouncing beyond his opponents' reach—made him the first American winner in international competition. His rebote is among the best in the game, a single fluid motion as he turns to scoop the ball bouncing off the back wall into the lip of the *cesta*, twists and flings it toward the front wall. He turned professional as a senior in high school, promptly picking up a rooting section of squealing groupies. (He is engaged to marry a former secretary at World Jai-Alai Fronton in May.)

His skill soon won him the respect of the players as well—and an income of about \$80,000 a year. Says fellow Amer-



Cornblit launches patented "kill shot"

Despite resentment, the American is here.

ican Armando Gonzalez: "His remate [backhand carom] is devastating, a knockout punch. There's no defense." An old Basque adversary, Jose Solau, agrees: "Make a mistake against him and you're dead." Acknowledgment has sometimes been grudging, however. Jai-alai, long dominated by the Basques, is a clique-ridden world that does not suffer outsiders gladly. Solau admits that his countrymen distance themselves from the handsome young American: "There is a resentment and coolness, a feeling that nobody can play the game like us." Another observer puts it more bluntly: "Every time he wins, they climb the walls. They feel this is their game and it bothers the hell out of them." Some of the Basques make good-natured fun of his contact lenses and call him *Ciego* (blind man).

It does not bother Joey. "Like it or not," he says. "I'm here." And here with a passion. "Out there, everyone is an enemy. It's fierce competition and I'm out for blood. You've got to want to eat the ball. I'm out to kill every point. Everybody wants to win, but I want it a little more."

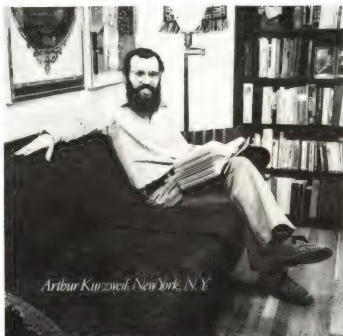
Cornblit's playing style perfectly complements the short (7 points v. 30-35 points in Spain) matches played for American bettors. With the emphasis on the killing shot in these truncated contests, Joey's fierce approach to the game is now imitated by younger players, Basque as well as American. He keeps in shape with a daily exercise regimen to relieve the strain of an old back injury and settles down twice a day for soothing sessions of Transcendental Meditation. The combination, he believes, should keep him at the top for another decade. To the dismay of opponents, Joey maintains that the best is still to come. "I haven't hit my stride yet." Besides, he sleeps well and always eats his breakfast. ■



Getting Together

At 15,000 feet over Southern California, 50 skydivers plummeted into the void. Their goal: a world record in formation free-falling. At speeds as high as 200 m.p.h., they struggled to set up a symmetrical formation thousands of feet in the air. Rules require that the skydivers remain linked—spread-eagled in the sky—for five long seconds. The Californians failed in five attempts at a 50-person high-altitude touchie-feelie. They will return next month for another shot at the *Guinness Book of World Records*. Once more, let's all join hands...

"I went back home. To see it for the first time."



"Even though I was born in America, I didn't grow up with Mother Goose stories. I grew up with Przemysl stories, the small town in Poland where my father was born.

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"I walked the same streets and saw the same sights that my father had described to me years before.

"I went to the Town Hall to find out if any records of my family still existed. The Kurzweil family originated in this town. One date I was sure of was the birth of my great grandfather, in 1867. The keeper of records climbed up a creaky old ladder and reached for a dusty book marked 1860-1870 and showed me not only the entry of my great grandfather's birth but the marriage of my great, great grandparents as well.

"I found that there is much left of my Eastern European heritage. Not only records but a great deal of history. But I had to be a detective. I had to take that journey. And I had to look."

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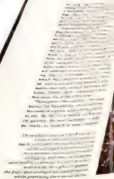
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Kings & 100's

Sport

Letting Go

Is there life beyond football?

The symptoms of withdrawal are classic and immediately recognizable to some 60 million football addicts. First, an uncontrollable twitching of the hand, which has no television knob to turn. Next, an irrepressible urge to curse, usually at the two-minute intervals during which, normally, passes would be dropped, quarterbacks sacked, or egregiously erroneous calls made by officials. Milder side effects include the opening of phantom beer cans and hurriedly placed phone calls to bookies for a nonexistent point spread. After a six-month diet of football, the American public must shake a national habit, and the transition is not easy. In the home of the Super Bowl Champion Dallas Cowboys, for example, police report more than twice the daily average of violent assaults on the Sunday after the football season ends. Spats between spouses can take a nasty turn. Old scores are apparently settled and, without the soothing football fix for fragile psyches, new grudges are formed.

The addiction can only get worse as the National Football League next year adds two more games to its regular-season schedule, and an additional play-off game as well. A new contract with ABC could mean Howard Cosell on Monday, Tuesday, Wednesday, Thursday... terminal logorrhea. The most innovative aspect of the new regular-season scheduling is the matching of teams according to their standings at the end of the previous year. Thus, for example, the Los Angeles Rams, who finished atop the N.F.C. West this year, next fall will play the Pittsburgh Steelers, No. 1 in the A.F.C. Central. Second- and third-place teams will, in like manner, play their division-standings counterparts in the other conference. The days of a patsy schedule for a strong team are over: a team will have to earn a play-off spot on the field, not in the scheduling chart.

With an expanded, more competitive schedule, the result may be an even bigger letdown if the Super Bowl continues its recent form of understated, cautious football. Purists insist that fans cannot appreciate great defensive games like the 27-10 Cowboy victory; neither can they appreciate the fine line between mechanical proficiency and boredom, the main fare of recent Super Bowls. While this year's contest between Denver and Dallas had its moments of suspense, perhaps the most exciting event of the evening—and arguably the Super Bowl's premier athletic feat—was a 60-yd. bomb thrown by 13-year-old Alfonso Walls Jr. in the Punt, Pass and Kick finals before the game. Walls was on target too, a boon Craig Morton sorely lacked. ■



Liv Ullmann and David Carradine in Ingmar Bergman's *The Serpent's Egg*

Cinema

Cabaret Act

THE SERPENT'S EGG

*Directed and Written by
Ingmar Bergman*

In Hollywood it is called "working the set." It happens when a producer has ordered up some costly and elaborate make-believe edifice that he wants on the screen constantly, shot from as many angles as possible, in order to justify its expense. Far from resisting this demand, the director will typically respond with bursts of enthusiastic inventiveness—a kid playing happily with a splendid new toy.

This is not the sort of creativity one expects to find preoccupying an austere and sober artist like Ingmar Bergman. Yet it must be said that his liveliest attentions in *The Serpent's Egg* are lavished on the marvelous Berlin city block, circa 1923, that Producer Dino De Laurentiis provided him for this picture. The thing comes complete with a real working streetcar, which the director sets to clanging at every possible opportunity. When he is not busy with that, he is filling his street with crowds in all kinds of moods, showing it at all times of day and night in every variety of weather. One imagines Bergman lighthearted, free of the tax troubles that drove him from Sweden, free too of constraints imposed upon him by the cramped studio and the equally confining island location where so many of his films were shot. It must have been fun for him to work with a big budget for a change. Considering the gifts he has given us over the years, one must also be happy for his happiness, and for this lavish demonstration that even the greatest of artists is only human, that is to say, capable of self-indulgence on a grand scale.

Nevertheless, *The Serpent's Egg* is really quite a bad film. Bergman wishes to explore the roots of Nazism—"the al-

ready perfect reptile" that could be discerned, as one of the characters says, in the egg to which the title refers. And so once again the audience is treated to views of Germany in the early '20s—inflation rampant, democracy feeble, sex decadent, anti-Semitism emergent, National Socialist bullyboys beginning to feel their oats. It is very stale stuff, and, sadly, Bergman makes no more of it than the musical *Cabaret* did. It all comes out more picturesque than terrifying. Bergman, too, shows the developing monster through the eyes of an innocent, though this one lacks the lively intelligence of the young man in *Cabaret*. Bergman calls his hero Abel (David Carradine). He is an American circus performer of Jewish descent, stranded in Berlin because his brother and partner has hurt his arm and they cannot continue their trapeze act. The picture opens with Abel discovering the brother's suicide. This places him under police suspicion because a number of people he has known have died similarly violent and mysterious deaths. While the cops investigate, Abel takes up desultorily with his brother's widow (Liv Ullmann). They are befriended by an acquaintance of their youth, now a doctor (Heinz Bennent) doing some sort of secret research at a nearby hospital. Since he carries himself in the manner of Helmut Dantine when he was playing Gestapo officers some 35 years ago, one can guess that the doctor's work is not going to earn him the thanks of a grateful world.

Sure enough, it develops that all those nasty deaths are the by-products of Bennent's work on mind-bending, and breaking, drugs. When Ullmann becomes his last victim, Carradine unmasks the dastard, who promptly kills himself, by heavy-handed irony, on the very day that Hitler's beer-hall putsch is put down.

Bergman makes colorful, melodramatic stuff out of all this, but that is all. He adds nothing to the basic popular un-

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Cinema

derstanding of modern German history. The characters have no intrinsic interest, although Gert Frobe does a nice turn as a police inspector-existentialist who seems to have wandered into the film from a Camus novel, or maybe it was only a Simenon. Poor James Whitmore has the unhappy lot of doing Bergman's standard blather about the distance of God but may count himself luckier than the leads. Whitmore at least knows what he is supposed to represent. Ullmann and Carra-dine are simply cast adrift with nothing much to do but lend scale to the street scenes and the vast historical forces that Bergman comprehends only fitfully. His true province is the soul, not history. One can forgive his honorable artist's ambition to deal with the latter, but one can also hope for an early return to the former.

—Richard Schickel

and to the more experimental Maly company, also located in Leningrad. The movie is narrated by Princess Grace of Monaco. Her Highness being at her most serene and elocutionary in this role.

The film tells the story of a year in the lives of three Vaganova students—an 11-year-old girl, a 13-year-old boy and a young woman about to graduate. This is done in a straightforward, quite artless manner. There is a little spurious drama about the graduate's nervousness over her final recital, but the audience learns quickly that she really had nothing to worry about, as the Kirov had decided to accept her some time before. The picture is at its best when it shows youngsters trying out for admission to the school and when it gives some small idea of how hard they work in the course of their decade-



A scene at the bar from *The Children of Theater Street*

Soft Shoe

THE CHILDREN OF
THEATER STREET

Directed by Robert Dornhelm

The *Children of Theater Street* are, in fact, the students of Leningrad's Vaganova Institute, perhaps the most distinguished school of the dance in the world (its graduates include Pavlova, Nijinsky, Balanchine, Nureyev, Makarova and Baryshnikov). This earnest documentary, which never quite gets up on point, offers a comprehensive view of the life and hard work of present-day students at the institute. Along the way there are trots through the school's history and considerable cross-cutting to onstage performances by the great Kirov company, for which the school supplies dancers.

long training program. There are also nice shots of the teachers and other functionaries, living bearers of a great tradition which somehow seems to shine in their faces.

The performance footage intercut with this material is rather perfunctory and inelegantly shot. One suspects that Soviet authorities, not wanting the world audience to get the impression that the kids are a sweated artistic proletariat, forced the documentarians to avoid any overt suggestion that there might be more pain, narrowness of intellectual focus and disappointment in the children's lives than is shown in this overly sweet film. It is assuredly a harmless way to pass a rainy weekend afternoon with one's own kids, though the commercially made and fictional *The Turning Point*, for all its melodrama, actually offers a truer glimpse of ballet life.

—R.S.

Press

Naming Names

A stormy new rape debate

Civility may be in retreat on other fronts, but most newspapers still routinely decline to print the names of alleged rape victims. That courtesy is seldom required by law and rarely afforded the victims of other crimes. Herman J. Obermayer, 53, editor and publisher of the *Northern Virginia Sun*, an evening daily that goes to 20,000 households just south of the nation's capital, thinks it is time the custom ended.

In a front-page editorial, Obermayer announced that the *Sun* will begin printing the names, ages and addresses of women whose rape complaints come to trial. "Protecting the accuser's anonymity, while fully identifying the accused, is tan-

amount to a pretrial presumption of guilt," he asserts. "A malicious woman could try to make the state take away a man's freedom for life without even risking public embarrassment."

Obermayer's declaration has been hotly denounced by local feminists: police, prosecutors, hospital officials and nearly all the *Sun* readers who have written or telephoned Obermayer to comment. "I assumed I'd get some mail, but I never expected this storm," says Obermayer. Though some opponents concede a logic in his position, most fear that the effect will be to discourage victims from coming forward. Says Sue Lenaerts of Washington's Rape Crisis Center: "Rape is a horrible, humiliating, degrading thing. If women know they'll be identified in the papers, hardly any will take a rapist to trial."

Journalists generally decry the *Sun*

doctrine. "Obermayer's making a mistake," says the Washington *Post's* Ben Bradlee. "It's wrong. It's misguided. We wouldn't do it." Yet some might. "We're rethinking our whole position," says Dave Lanzetta, city editor of the Portland (Me.) *Express*, which last year identified a 27-year-old rape victim. The Boston *Globe* names names when the victim is well known. Says Ombudsman Charles Whipple: "If the Governor's daughter were raped, don't think we wouldn't print it."

Obermayer concedes that he will suppress the name of a rape victim in a few instances, if, for example, she is under 18 or if disclosure would endanger her, but insists that no amount of public opposition can change his intention to stop granting such anonymity automatically. So far, his resolve has not been tested. ■

Newswatch/Thomas Griffith

The Press Has Lost Its Watergate Edge

In one of Virginia Woolf's novels a woman character remarks: "I am made and remade constantly. Different people draw different words from me." As much can hardly be said of Messrs. Carter, Begin and Sadat. From them different interviewers rarely draw different words, however clever or persistent the questioning. Begin and Sadat in particular are expert at saying what they want to say, and no more, to American interviewers.

They do so even though English is not their first tongue. (What is better for the Palestinians—self-rule or self-determination? "They are not so different, Barbara," Sadat answers calmly.) One has to go back nearly a third of a century, to Winston Churchill's Iron Curtain speech at Fulton, Mo., to find a foreign leader so skilled at, and so preoccupied with, influencing American opinion.

Perhaps we are witnessing the final reversal of the Watergate era, when the press corps had a hectoring ascendancy over public figures. In journalism, as in arms races or in games like football, there are times when either the offense or the defense is dominant. Currently, in the ongoing contest between leaders who want to put their own viewpoint across and journalists who seek to pin them down or to draw them out, the offense prevails.

Several explanations are possible. The competitive rivalry at the networks to get leaders like Sadat and Begin on camera probably inhibits too rude questioning of them. Or, since anchor people are no longer kept at the door or at the curbside but are invited in, deferred to and first-named by heads of state, they may feel themselves part of the diplomatic process, and may be fearful of derailing it. The imperial presidency and jet-age diplomacy are producing a matching elite of imperial commentators. For whatever reason, some hard questions go unpressed. Who, for example, demands of King Hussein whether he proposes to give Palestinians more democracy than he allows in the rest of his country?

Jimmy Carter, who seems forever to be clarifying or climbing down from remarks, may seem an exception to the dominance of politicians. But he was not drawn into

most of his gaffes, indiscretions or overstatements by being caught off guard by a reporter's question. In his distaste for Nixon's rehearsed and calculatingly misleading utterances, Carter chooses to win it, as if spontaneity proves the honesty of his intentions.

But this gets him into excesses of rhetoric. Carter digs his own trapholes—the idealist devoted to human rights can be downright fulsome when meeting dictators. Why, asked Columnist William F. Buckley Jr., did Carter, in a situation that called for only ambiguous politeness, say that the Communist leaders of Poland and the autocratic Shah of Iran share the same ideals that we do?

Though diplomats may shudder, Carter is pretty talented at getting out of his remarks. Sometimes this amounts to repudiating a position, but Carter seems more bent on showing that at least he hadn't meant to *deceive* anyone. His soft-voiced answers at press conferences (with which he is generous) or in friendly televised White House "conversations" turn away wrath. Gerald Ford achieved the same effect. Such an improvement in Government and press manners is welcome, but there have been times when a little asperity on either side did a better job of illuminating an issue.

The current advantage of the offense shows best in two recent episodes at less imperial levels. The Governor of Tennessee, Ray Blanton, has told statehouse reporters that those who don't "think positive and write positive positively won't get their questions answered." Pete Rozelle, the shrewd boss of professional football, was plagued this past season by flagrantly bad official calls, seen by millions on instant replay. Reporters sought the right to interview officials after the game, and Rozelle finally relented at the Super Bowl, but only after specifying "if we get objective people to form a news pool, not some people who just want to badger officials." This kind of blatant appeal for tame press treatment exemplifies the new dominance.

But if a perceived arrogance in the press led it to lose its ascendancy after Watergate, arrogance on the other side can only invite a return swing of the pendulum.

Law

Stopping Crime as a Career

Major Violators program blocks the revolving door

Two elderly black sisters were knitting and singing *We Shall Overcome* in the kitchen of their small Boston house one hot night last summer when a convicted burglar burst through the back door and demanded money. The intruder, 6 ft. 4 in. and 220 lbs., viciously beat the two women before fleeing. Police captured him a short time later. Thanks to clogged conditions in many urban courts, suspects in felony cases often relax on the street for a year or more and eventually extract a light, plea-bargained sentence from beleaguered prosecutors. But only 61 days

their cases diligently through the courts until conviction. In 30 months, the nationwide program has put away over 5,000 hard-core criminals for terms averaging more than 14 years each.

Local prosecutors select their career violators using individual systems. Louisville targets suspects with two previous felony convictions or five arrests. Washington concentrates on parolees who are arrested again, for a crime of violence. Detroit zeros in on three-time offenders charged with murder, rape, household burglary and armed robbery. Boston uses a "case evaluation form," based on a ten-point penalty system. Penalty points are given for brutality, use of firearms, parole or bail status at the time of the crime, and even strength of the evidence against the suspect. Any suspect who gets ten points or more gets the Major Violator treatment. "It's almost like being selected for college," a Boston prosecutor notes, "only they're going to jail, not school."

Once identified and apprehended, a career criminal will find his case assigned to a district attorney for start-to-finish prosecution. With a light case load (one-third that of other prosecutors), the D.A. usually seeks high bail, or no bail, to keep the suspect in jail, refuses to plea bargain, and pushes for an early trial.

Reluctant witnesses, who tend to disappear, thus scuttling the prosecution's case, are cajoled into court. Several prosecutors have allowed defense attorneys to look through all police evidence against the suspect in an "open file" policy, to prevent long courtroom delays for "discovery." Says Washington Attorney Charles Work, who started the program in 1975 when he was with LEAA: "These cases get the same attention they'd receive in a small town. It's not a concentration of resources against an individual. It's a simple effort to keep the important cases from falling apart in our swamped, pitheole-strewn big-city prosecution system."

Despite discouragement of plea bargaining, conviction rates are startlingly high: 94% nationally, compared with a regular conviction rate of 73%. That rate naturally troubles defense attorneys. Some of them are critical of the program on grounds that it is racist, because a notable percentage of career criminals are black. Others claim that their clients are stigmatized by the career-criminal category, even though the trial jury never learns the defendant has been specially labeled. The career-criminal program has reduced the gap between arrest and trial to about 60 days in some cities, a marked improvement. Remarks Boston Prosecu-

tor Lloyd Macdonald: "Defense attorneys are always trying to stall."

Law-enforcement officials say the program is partially responsible for the slight reduction in big-city crime last year. Detroit reports a decline in major crime for the first six months of 1977: murder down 27%, burglary and armed robbery each down about 25%. New Orleans District Attorney Harry Connick, who started the first LEAA-financed career-criminal program in 1975, cites a Rand Corp. estimate that a career criminal commits 20 offenses a year. If that is true, the 992 career-criminal convictions obtained thus far in New Orleans could prevent about 198,000 crimes over the next ten years.

The program has cost LEAA only \$14 million of \$4.8 billion spent by the agency in the years 1972 through 1977. But



New Orleans Prosecutor Harry Connick
Nipping 198,000 felonies in the bud

after the Boston assault, the intruder had been tried, convicted of five felonies and sent off to the maximum-security prison at Walpole, Mass., for ten to 20 years.

The assailant had qualified, through an elaborate point system, for special treatment under Boston's Major Violators program. It is hardly news in the U.S. that industrious malefactors, variously known as revolving-door or career criminals, commit crime after crime, year after year. About 7% of arrested suspects account for a quarter or more of the nation's crime. The first wholesale attack on the problem began only three years ago, when 24 cities, with federal funds and a good idea, both provided by the Law Enforcement Assistance Administration, began establishing career-criminal prosecution units. The aim: first identify multiple offenders, then shepherd



Former LEAA Official Charles Work
Small-town justice for big-city crime

federal funding for the project is now being phased out. LEAA officials blame budget cutbacks, noting, however, that successful experiments should be taken over by state and local officials. Most communities are struggling to do just that. Washington, D.C., has been running its version of the program, Operation Doorstop, without LEAA funds for 17 months. When Norfolk's LEAA grant runs out in October, prosecutors plan to work overtime to keep the program alive. New York, New Orleans and Boston are seeking state aid to continue. "Anybody who knows anything about crime in this society knows that what criminals fear most is a speedy trial and the certainty of punishment," says retired Massachusetts Jurist Walter H. McLaughlin. "The Major Violators program combines both. It ought to be continued at all costs."

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Law

Briefs

SPARE THE ROD

The Isle of Man, a British crown possession in the Irish Sea, differs from the mother country in several respects. Taxes are lower, cats have no tails, and youths judged guilty of violent crimes are occasionally whipped with a birch rod.

For that, Great Britain last week found itself haled before the European Court of Human Rights, voluntarily joined by Britain in 1950. Her Majesty's government was accused of tolerating "degrading punishment." Although birching was finally banned in Britain in 1968, Man's 1,000-year-old parliament, the Tynwald, has long been allowed to make its own internal laws. But after he was birched three strokes in 1972 for beat-

ing up a school prefect who had snitched on him, a 15-year-old Manx boy named Anthony Tyrer made an international case of it.

Island Attorney General Jack Corrin has promised that future birchings would be laid on "over ordinary cloth trousers" rather than traditional bare buttocks. The whipping has always been limited to twelve strokes on male youths aged 14 to 20. And, claimed Corrin, it has noticeably helped in keeping the crime rate low.

The European Court is expected to condemn the practice this spring, forcing Britain to outlaw birching on the Isle. The Manx are not likely to submit meekly. A petition backing birching was signed by 31,000 of Man's 45,000 voters. Facing self-government claims from all sides, the British would do well to keep in mind that many islanders are descended from fiercely independent Viking marauders. Nearly 200 years ago, a Manx descendant named Fletcher Christian aboard the H.M.S. *Bounty* led the most famous of all mutinies.

DOGGED DEFENSE

Who would deny a blind person with a Seeing-Eye dog equal access to public facilities? A whole slew of restaurants, that's who, even though every state has modified health regulations to guarantee admittance for canine guides. After suffering through exclusion incidents, thousands of blind people now carry a summary of state laws to convince hostile restaurant and club owners of their rights.

One such carrier is J. Ventura Garcia, 43, of Las Cruces, N. Mex., an assistant professor of speech at New Mexico State University. During a five-month period in 1975 he and his German shepherd, Harmony, were denied admission to three restaurants in the Southwest. Blind friends

had mentioned similar incidents. Garcia says, "but in most cases, they simply accepted the embarrassment." After one particularly galling experience at Luby's cafeteria in El Paso, however, Garcia filed suit charging humiliation and denial of civil liberties.

In defense, Luby's called the matter "a misunderstanding" on the part of an assistant manager who had merely thought Harmony should wait in the car because Garcia's wife was along to assist him. Retorted Garcia: "That dog is my eyes. You wouldn't ask me to leave an artificial leg in the car. Why my eyes?"

Last week in Texas the eyes had it. An El Paso jury sided with Garcia, awarding him \$5,000 in damages. Elated, Garcia promised to donate a portion of his award to Seeing Eye, a New Jersey guide-dog training organization. ■



Manx policeman with beloved birch
Bare buttocks out, trousers in



Plaintiff Ventura Garcia with Harmony
A \$5,000 misunderstanding

Milestones

EXPECTING. Julie Nixon Eisenhower, 28, who is writing a biography of her mother, Pat Nixon, and David Eisenhower, 29, who is finishing a book on his grandfather, Dwight D. Eisenhower: their first child, this summer. The baby will be the first grandchild for former President Nixon.

DIED. Harry Freeman, 71, Brooklyn-born managing editor in the U.S. for Tass, the Soviet news agency; of cancer, in Manhattan. After working for such leftist publications as the *New Masses* and the *Daily Worker*, Freeman joined Tass in 1929, writing about many aspects of American life for Soviet readers. In testimony before a Senate investigation committee in 1956, he took the Fifth Amendment when questioned about espionage activity.

DIED. Kurt Gödel, 71, Moravian-born professor at the Institute for Advanced Study (1953-76) who was regarded as one of the world's leading logicians, of heart disease,

in Princeton, N.J. Formulated in 1931, Gödel's Theorem became a cornerstone of 20th century mathematics and philosophy. By demonstrating that there is no way to set up a mathematical system that will prove all statements within that system, the theory reaffirmed the creative aspect of mathematics: it implied that a computer could never be programmed to answer all mathematical questions, that human ingenuity rather than mechanical programming would always be needed to generate new mathematical axioms.

DIED. Gilbert Arthur Highet, 71, whose lively as well as erudite studies dramatically depicted the classical world for millions of readers, of cancer, in Manhattan. The author of 14 books (*The Classical Tradition*, *Juvenal the Satirist*) and scores of essays, Highet analyzed the West's debt to ancient Greece and Rome. During three decades at Columbia University, the Scottish-born scholar (he became a U.S.

citizen in 1951) won a devoted following by his stirring, animated classroom style, confirming his dictum that teaching does not need "quiet, weak men who want to creep into some little niche."

DIED. William T. Schwendler, 73, a founder and chief engineer (1930-50) of the Grumman Aircraft Engineering Corp., of heart disease, in Farmingdale, N.Y. Schwendler helped design World War II combat aircraft (the Wildcat, Hellcat and Avenger) that accounted for more than two-thirds of enemy planes shot down by the U.S. Navy in the Pacific theater.

DIED. Alton Carter, 89, President Carter's uncle and the oldest member of the Carter family, of gall bladder disease, in Americus, Ga. The mayor of Plains from 1924 to 1952, "Uncle Buddy" also ran a general store and for the past few years worked in his son's antiques store, where he was a popular raconteur.



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Theater

Black Monarch

PAUL ROBESON

by Philip Hayes Dean

This is the first play in recent memory to be denounced by a committee prior to being appraised by the critics. The National Ad Hoc Committee to End the Crimes Against Paul Robeson took a two-page ad in the Jan. 11 issue of *Variety* to proclaim: "We in the Black community have repeatedly seen the giants among us reduced from REVOLUTIONARY heroic dimensions to manageable, sentimentalized size. If they cannot be co-opted in life, it is simple enough to tailor their images in death." Signatories included a virtual *Who's Who* of black artists, educators and political figures. Among them, James Baldwin, Julian Bond, Nikki Giovanni, Alvin Ailey and Coretta Scott King.

Paul Robeson Jr., who has led the protest, feels that his father is portrayed in the play as a buffoon rather than a serious artist. "They can't portray a black hero of Robeson's proportions, so they cut him down to much smaller size so it'll play in Peoria and Boston."

Blacks are divided as to the protest. "It depresses me," says Clayton Riley, "that some people who signed the statement haven't seen the play. That's just insupportable if they haven't seen the work." The man who wrote *Paul Robeson*, Black Playwright Philip Hayes Dean, feels an understandable resentment: "We're getting into a very dangerous thing when we have a committee on un-black activities. They wanted a photograph and I gave them a painting."



Jones in Paul Robeson

Unbowed courage

Actually, *Paul Robeson*, at Broadway's Lunt-Fontanne Theater, is neither a photograph nor a painting, but more like a sidewalk artist's quick sketch that captures a credible likeness without achieving the dimensions of art. In fairness to Dean's work, witness a recent attempt to depict a white of heroic proportions onstage. If ever there was a trivialization of one of the world's heroines, consider the stage portrait of Golda Meir in *Golda*, from which only Anne Bancroft emerges with honor. The world may be a stage, but the movers and shapers of the world are too remote from a playgoer's experience to grip one onstage. Knowing that, Playwright Dean—who has a fine play, *The Stry of the Blind Pig*, to his credit—tried to humanize Robeson (James Earl Jones), and to some extent, he succeeds. One gets a strong sense of the passion of a slave's son to elevate his people and bring them the dignity all men should possess.

Unfortunately, the format of this one-man show resembles a 25th-reunion class yearbook, a precis of achievements: third black student to attend Rutgers, All-America football player, Phi Beta Kappa, brilliant Columbia law school graduate hidden in the rear offices of a prestige firm so that it would not lose face (white), vocal monarch of the concert stage and compelling actor, Soviet enthusiast, victim of the House Un-American Activities Committee at the onset of the McCarthy era, but unbowed in courage.

Jones falters as a singer but is formidable in all else. Pity his understudy if he has one. Jones trivializes nothing, but even a giant could scarcely shoulder this particular load.

—T.E. Kalem

G.B.S. Lives

MY ASTONISHING SELF

as devised by Michael Voysey
from the writings of G.B.S.

Bernard Shaw put on a one-man show from the moment he cut his teeth on words. His bloodstream was ink, but, body and soul, he was mind.

Impish, irate, iconoclastic, that mind was robustly playful and evangelically fervent. Irish Actor Donal Donnelly has immersed himself in these characteristics of Shaw's mind; and that is one reason why his portrait of G.B.S., now off-Broadway at the Astor Place Theater, is as persuasive as it is irresistible.

The musicality of Shaw's language pervades the evening. His mother had a fine mezzo-soprano voice, and at the beginning of his journalistic career, he was a music critic signing himself Corno di Bassetto, which means basset horn. The cadences of his speeches are like arias, and Donnelly delivers them that way with an ingratiating Dublin inflection. Indeed,



Donnelly in My Astonishing Self

Undammed force

most of Shaw's greater plays could be transposed into operas, just as *Pygmalion* was made into *My Fair Lady*.

Refreshingly, Michael Voysey, who put together this program of Shaviana, has stayed away from the plays altogether. The selections are drawn from letters, essays, critiques and talks on the BBC, plus a frail, touching, ninetyish farewell to all on British TV. The evening moves chronologically from Shaw's arrival in London and includes reminiscences of his early family life, his courtship of Charlotte Payne-Townshend, a millionairess, his epistolary romancing of Ellen Terry, the famed actress, and his meeting with Isadora Duncan at which, to his acute distress, she propositioned him.

The evening is richest when Shaw tilts a lance in defense of a cause or breaks it over the head of a foe. Doctors and their medical pretensions are greedy frauds to Shaw, and he skewers them with paradox and irony. As a vegetarian, he amusingly pictures his funeral procession with his casket followed by the herds of cows, pigs and fowl that he has spared, all in white ties. He eulogizes Christ as a non-conformist and identifies with St. Joan as an "insufferable" know-it-all.

The man's ardor, his passion, his kindness, his wit, the juices of his undammed Life Force flow through Donnelly's performance. Donnelly captures the nuances of the aging process, the time when the patriarchal beard seems to wag the man. Yet throughout, the actor maintains a conversational urbanity that makes the show a fit companion for two of Shaw's pet abominations, brandy and cigars.

—T.E.K.

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De Munn, Luckinbill and Dzunga in *Daughter*

Night Screams

A PRAYER FOR MY DAUGHTER
by Thomas Babe

It may be something edgy and vindictive in the spirit of contemporary society that causes young American playwrights to relish scenes of abrasive confrontation. The duel may be one of words, the sly techniques of a psych-out or blunt violence. All three tactics are present in Thomas Babe's *A Prayer for My Daughter*, now at Manhattan's Public Theater. The setting is a police station during the midnight-to-dawn shift. Two dope addicts, Simon (Laurence Luckinbill) and Jimmy (Alan Rosenberg), who are also homosexuals with bisexual experiences, are pushed into the bleak room in handcuffs. They have robbed a woman of \$26. One of them has slit her throat.

The two detectives intend to nail the killer, short of slitting his throat. As one of the cops explains, punishment must precede the trial since the judge will probably release "scum" like them. The older detective, Kelly (George Dzundza), is built like a bull elephant and when he talks he trumpets. The younger detective, Jack (Jeffrey De Munn), is a fanged snake who hisses and strikes.

Each detective mauls each culprit. Simon takes it with world-weary stoicism, his eyes like stagnant pools. Jimmy cries like an abused child. Eventually, the tortured and the torturers seem more like kin than enemies. Playwright Babe skillfully evokes their dawning camaraderie. Where he goes wrong is in tagging on the murky moral that all men are brothers or, perhaps, unsexual.

If the characters seem sordid, the caliber of acting redeems all. It is ensemble work of the very first order: in this the four men are truly brothers.

—T.E.K.

Medicine

Ears Made New

Surgery as sculpture

What persuaded the late oil billionaire J. Paul Getty to pay \$2.9 million in ransom for his kidnaped grandson Eugene Paul Getty II was the 17-year-old's right ear. His Calabrian kidnapers had cut it off and mailed it to a Rome newspaper with threats of further mutilations. Last week young Getty, now 21, was working in Southern California on documentary films and no longer self-conscious about that ear. A new ear of tissues taken from his own body is in process of being sculpted at Stanford University Medical Center.

Getty is the most famous patient among 150 who have acquired new ears through the specialized skills of Plastic Surgeon Burt Brent, 39. His case is also among the most difficult that have confronted Brent, because of the savagery with which the ear was hacked off and the infection that followed, leaving Brent very little natural tissue to work with. So far Getty's ear form has been substantially recreated, but further surgery to refine both its form and appearance remains necessary.

Ear restoration was attempted as early as 1597 by the Bolognese surgeon Gaspare Tagliacozzi, who grafted attached flaps of the patient's own skin and thus evaded the body's rejection mechanism more than three centuries before this phenomenon was scientifically understood. Such procedures were declared impious and were forbidden. More recent restoration efforts, using metal ear molds or dead cartilage, have produced poor results in many cases, although silicones have been employed successfully.

Brent, who learned sculpture before studying medicine, built upon and refined techniques developed by Dr. Radford Tanzer, 72, now a professor emeritus at Dartmouth Medical College. The basic principle is to use one or two pieces of car-

tilage, 4 to 5 in. (10 to 13 cm.) long, taken from the patient's own ribs. This causes no disability. While an assistant closes the chest wound, Brent carves and molds the cartilage into an approximation of the ultimate desired shape for the new ear. Then he makes a pocket from the skin where the ear should be and slips the cartilage into it.

After initial healing, there may be several sessions of relatively minor surgery to sculpt the ear closer to Brent's artistic standards. "The ear will never look absolutely real," he concedes, "but we can achieve an appearance so pleasing that the patient's psychological attitude is improved, often quite dramatically."

His case file is impressive. Consider San Francisco's Joel Kaplan, 32, who was born without a left ear. Growing up in New York City in the 1950s, when most men wore short hair, he sometimes felt uncomfortable when he was being stared at. When fashions changed, he grew his hair long and carefully combed it over the area where the ear was missing. After moving to San Francisco, he became a Brent patient and is already delighted with the result of his surgery, although touch-up work remains to be done. Kaplan has cut his hair short again, and when friends comment on his new ear, he corrects them: "You're looking at a piece of my rib."

So far, about two-thirds of Brent's patients have been children born minus an ear, and he likes to treat them young, before they have to face schoolmates' cruel kidding. His youngest patient to date was three, which meant there was still time for a new ear to grow a bit. Normally, an ear reaches near-adult size by age six. One of his happy patients is Lance Chervony, 5, of San Jose. He seemed untroubled by lack of a normal ear, though it attracted playground attention. Now in school after a Brent operation, he displays his new ear proudly and proclaims: "Dr. Brent gave it to me."



Lance Chervony was born with a deformed ear



Burt Brent's plastic surgery rebuilt it

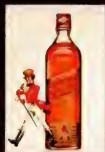
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Saskia's Lying-In Room and The Healing of Peter's Mother-in-Law by Rembrandt van Rijn: streaks of bistre and intense domestic silence



Art

High Art from the Low Countries

Among 17th century masters Rembrandt is matchless

The acquisitive urge, the desire to complete and catalogue a series, shows early in some collectors—and in none earlier than Frits Lugt, the century's greatest scholar and collector of Dutch drawings. In 1892, when Lugt was eight and the other little boys in his native Amsterdam were swapping beetles and cigarette cards, he transformed a room into the "Museum Lugtius" with a sign on the door reading "Open when the Director is at home." By twelve, he started a fully annotated catalogue of Netherlandish drawings and, even more surprisingly, kept it for three years. At 15, he wrote a life of Rembrandt. The chief works of Lugt's

maturity, especially the great catalogues of Rembrandt and early Netherlandish drawings he compiled for the Louvre, are as basic to the study of Dutch art as Bernard Berenson's lists are to that of Italian.

For six decades before he died in 1970, Lugt knew more about his chosen subject than anyone else alive. His collection of Dutch and Flemish 17th century drawings—there are now 2,500 of them housed in the Institut Neerlandais in Paris, which he endowed—is definitive. The present show at New York's Morgan Library, entitled "Rembrandt and His Century: Dutch Drawings of the 17th Century" and comprising only 132 items

culled from the 2,500, conveys at least an idea of the collection's extraordinary range and quality. Lugt's taste was not for the quick scribble, but for clear, developed, informative drawings. The major names of 17th century Dutch painting are there: Hendrick Goltzius, Aelbert Cuyp, Jacques de Gheyn, Pieter Saenredam, Hendrick Avercamp, Ferdinand Bol. So are scores of lesser figures, known mainly to the specialist, but always represented by drawings of considerable grip and finesse.

Towering above them is Rembrandt van Rijn, the greatest Dutch artist of the 17th century and one of half a dozen supreme draftsmen in the history of the West. The show contains ten Rembrandt drawings, and to see them in the context of work by his more gifted students is to be reminded of the difficulties of attribution. They imitated just what, one would think, was inimitable in his style: Ferdinand Bol, for instance, got Rembrandt's quick hooking line down so pat that he reproduced it unconsciously. They could not, however, approach the beautiful, sure clarity with which Rembrandt set down, in a few streaks and slashes of bistre, a windmill facing the estuary from an old bulwark of Amsterdam. Nor could they rival the depth of Rembrandt's grasp of gesture, expression and character. A drawing like *Saskia's Lying-In Room* evokes, in the space between the shadowed head of Rembrandt's pregnant wife and the sewing hands of her nurse, a domestic silence so intense that one can almost hear the tick of cooling embers in the grate. Once again the Morgan Library, eschewing the theatrics with which other museums are apt to present their loan shows, has come up with an exhibition of instructively high quality.

—Robert Hughes



Rembrandt's ink-and-brush sketch of a windmill on a bulwark of Amsterdam
Drawings and catalogues but no beetles for the eight-year-old Director

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Television

NBC: Heady for Freddie

The Great Silverman Snatch on network row

At age 40, that rumpled Alexander of the television world, Fred Silverman, was running out of worlds to conquer. He started at CBS as a whiz kid just a few years out of college and in twelve years there, culminating as chief programmer for entertainment shows, he helped keep the Big Eye on top. Moving over to ABC as head of entertainment in 1975, he helped push it past CBS to No. 1. That left only NBC, currently bottom tube on network row. Last week, to lure Silverman away from ABC, NBC gave him the store. It named Silverman president and

ming cunning during the next 4½ months, when most of the key decisions will be made about next fall's schedule. "The longer ABC can keep Freddie from going to NBC, the better off it is," says Mike Dann, TV consultant and Silverman's longtime mentor. "By June ABC will have set up its plans until 1981, and NBC will be sinking—and sinking badly."

Dann is not exaggerating, and NBC is listing so badly in the ratings that the joke on Wall Street is, "What's the difference between the *Titanic* and NBC?" Answer: the *Titanic* had an orchestra." Indeed, the malaise is so well diagnosed that NBC itself carries jokes about its incompetence. When President Carter's translator flubbed in Poland, Johnny Carson told his *Tonight* show audience that "later on Carter's Polish interpreter will be out here to explain why he was just made head of programming at NBC." Though NBC was second for much of the new season, it is now clearly in last place with a 17.9 average in the Nielsen ratings, compared with 20.7 for ABC and 18.8 for CBS.



Silverman making a point in his ABC office

How is NBC different from the Titanic?

chief executive officer in charge of not only entertainment but news, sports, stations, everything.

So solid sterling is Silverman's reputation that the stock of ABC immediately dropped 1½ points, while RCA, which owns NBC, rose by nearly the same amount. In the offices and hallways of Manhattan's RCA Building, exultation at the Great Silverman Snatch bubbled through every conversation. Said one executive, reflecting on the recent firing of 300 NBCers by the network: "After all this head chopping, they're doing what they should have done in the first place—getting somebody good at the top."

Silverman's contract with ABC runs through the first week of June, and ABC-TV President Fred Pierce made it clear that ABC would try to keep him until then. That would deprive NBC of his program-

It may be those ratings that led NBC President Herbert Schlosser to revamp completely his personnel lineup last fall and hand out all the pink slips, including many to top executives. When the new crew failed to improve matters, Schlosser's boss, RCA Chief Edgar Griffiths, decided to act. About a month ago, RCA Vice President George Fuchs was dispatched to offer Silverman Schlosser's job. Silverman was given more money than he was getting at ABC—\$500,000, or \$350,000—but money was only part of the inducement, and doubtless the smaller part at that. What lured Silverman was having not just an entertainment division but an entire network to call his own—a challenge, as he says, "that goes well beyond the scope of my present duties or any I've performed in the past."

Indeed it does: Silverman may find it harder than he thinks to turn NBC around. At CBS he was working with what was then the most efficient network in television. When he arrived at ABC in 1975, the network, though long an underdog, was already well on the rise: Silverman merely accelerated the climb. NBC, by contrast, is clearly on the decline, and Silverman, who was accustomed to fast movement and quick decisions at ABC, will soon find himself coping with the most ponderous bureaucracy in the industry. Says Paramount Pictures President Michael Eisner, a former Silverman assistant: "Freddie has now met his mountain. If he climbs this one, he'll go down in entertainment history."



Spacek with the troops in *Verna*

Dream Girl

Verna: U.S.O. Girl

V*erna: U.S.O. Girl*, a 90-minute film on PBS's *Great Performances* (Wednesday, Jan. 25) series, happily ignores all the rules that plague made-for-TV movies. It is not an uplifting message drama about a trendy social or political issue. It is not a vehicle for TV stars seeking to plug an upcoming series or special. It is not a violent action spree or a self-congratulatory exercise in middlebrow culture. *Verna: U.S.O. Girl* is just a small story—too small for a theatrical film but perfect for the tube—engagingly told by talented people. It can stand as a model of what made-for-TV movies could and should be.

The film is an adaptation of a Paul Gallico story about a fledgling song-and-dance woman (Sissy Spacek) who enlists in a second-rate U.S.O. troupe during World War II. A shy orphan with a sweet smile and no discernible talent, Verna fervently believes that a U.S.O. tour overseas will speed her way to superstardom. She even imagines that Rodgers and Hammerstein will write her a musical after the war and promises her fellow troupe members supporting roles. Though her pulpy fantasies of fame and fortune are ludicrously out of reach, her brave self-confidence wins over her battered G.I. audiences. The soldiers feel a kinship with the dauntless Verna because she, like them, is risking her life for the sake of an innocent American dream.

Written for the screen by Albert Innaurato (*Gemini*), one of the most gifted young U.S. playwrights, *Verna* is both a comic and a sorrowful account of a girl's peculiar heroism. The humor can be found in Innaurato's sassy dialogue, which gives new resonance to the lingo of '40s movies, and in the many vintage U.S.O. routines that dot the film's narrative. Underneath the surface wit is Innaurato's portrait of Verna's aching loneliness and cultural malaise. When Verna, for the sake of her nonexistent career, jilts an Army captain whom she loves, she ceases to be a colorful eccentric and becomes a tragic victim of her bankrupt, fan-magazine values. By the time the film reaches its ironic denouement, Innaurato's nostalgic affection for Verna's old-fashioned innocence has turned into pity.

The high quality of the script is matched by every aspect of the production. Despite his limited budget, Director Ronald F. Maxwell has not stinted on important details: he shot the war scenes on location in Europe and enlisted Broadway Choreographer Donald Saddler and Burlesque Comic Joey Faye to help create the vaudeville numbers. Maxwell's casting is precise. Spacek, playing a spiritual sister of the lost souls she acted in *Badlands* and *3 Women*, is diaphanously vulnerable, but also makes a fine clown in her off-pitch songs. William Hurt, her awkward military suitor, is sensitive and attractive in the scenes where he tries to shield Verna from the horrors of battle. The other members of the U.S.O. show, a fraying torch singer and a has-been Catskills comic, are performed with oldtime showbiz relish by Sally Kellerman and Howard da Silva. *Verna's* troupe is the kind of company that gives the small screen the illusion of depth.

—Frank Rich

Family Jewels

Royal Heritage

When Shakespeare called England "this royal throne of kings, this scepter'd isle," he was merely stating the facts. For more than 900 years British monarchs have bought, begged, borrowed and stolen enough treasure to sink the island: castles, palaces, crowns and jewels, fabulous bric-a-brac, artistic masterpieces beyond prodigality.

Much of the collection has never been shown publicly. *Royal Heritage*, which starts this week on PBS, was prepared by the BBC as its contribution to Queen Elizabeth's Silver Jubilee last year. The Queen and several members of her family were persuaded to appear on camera and narrate generous portions of the series, with Sir Huw Wheldon, the former director of BBC television, doing the rest. Michael Gill, who produced such outstanding series as *Civilisation* and *America*, was in overall charge of the project.

The credits are interesting only because they show that the best people,

working with priceless material, can make mistakes, and *Royal Heritage* is more often than not a royal bore. The art work is generally not shown to advantage. Wheldon is a lackluster narrator, and the phalanx of royals should have been marched by in double step instead of lingering for a chat.

Showing off the imperial state crown, the Queen bears an uncanny resemblance to Mrs. Earbore, Lily Tomlin's Tasteful Lady from Grosse Pointe. Describing George III's microscope, Prince Charles sounds disturbingly like his favorite King, old George himself. "It has all sorts of interesting little drawers in it, one of which has the original slides," he says, managing to be both cute and condescending at the same time. "I'm told that the things that are inside are 18th century fleas." Then, picking up a slide, he adds, "There's one very big one here—horrible-looking thing!"

Only the 77-year-old Queen Mother, warm, charming and irrepressibly vivacious, holds up the royal side. After the German bombing of Buckingham Palace, she remarks, "the garden was inundated"—her voice drops to a scandalized whisper—"with rats!"

Often the series succeeds despite itself. The great Whig country houses have never looked grander, and it is almost worth the wait to see the enormous chair on which Edward VII weighed his celebrated guests at Sandringham. His great delight was to weigh them again when they left, after his seven-course lunches and twelve-course dinners, and see how many pounds he had put on them. The good moments aside, *Royal Heritage* is a well-meaning failure, proof that the British, who usually do these things so well, can, on occasion, also stumble and fall.

—Gerald Clarke



Queen Elizabeth and imperial state crown
A Tasteful Lady from Grosse Pointe.

People



Authors Ephron, Jong and Gray brood about money and the second sex at a fund raiser for women political candidates

Why aren't these women smiling? Authors **Nora Ephron** (*Crazy Salad*), **Erica Jong** (*Fear of Flying*) and **Francine du Plessix Gray** (*Lovers and Tyrants*) are discussing a serious subject: women, men and money. The occasion: a Washington benefit for the Women's Campaign Fund. Gray argued that being put on a pedestal has sometimes been a severe obstacle to a woman's achieving success. Women, she said, are "the only exploited group in history who have been idealized into pow-



Pearlle Mae goes after a degree

erlessness." Jong agreed. "We successful women feel we are doing something unwomanly by making money," she complained. "When we try to invest it wisely instead of going out and losing it all, we tend to feel conflicted." Still, when Ephron asked her, "After you get through the dire psychological effects of having money, is it O.K.?", Jong replied, "It's wonderful!"



Like the new Washington, D.C., Elizabeth Ray takes on romantic airs

She is a brassy veteran of Broadway and Hollywood, the author of five books, and she has served as a special adviser to the U.S. delegation to the United Nations—all without getting a high school diploma. "Believe me, I was a very smart cookie," says **Pearl Bailey**, who calls herself "more of a philosopher than an entertainer." At 59, Bailey has decided to get a college diploma, and enrolled last week at Washington, D.C.'s Georgetown University, where she plans to major in French and squeeze in classes in Islam, Egyptian art and philosophy. Drama is out, she says, because "I took it 40 years of my life." At registration, she was presented with front-row seats to school basketball games—and a book of freebie burger coupons.

SEAMY SEX IS OUT, TRUE LOVE IS IN, declares the February cover of the District of

Columbia's regional monthly, the *Washingtonian*. One of the authorities for this, er, turn of affairs in the nation's capital is the issue's cover girl, **Elizabeth Ray**, once famous as former Congressman **Wayne Hays'** nubile secretary who couldn't type. Says she in the accompanying story: "I see a lot of changes since I worked in Washington. Now the men I go out with care about the little things—flowers, smiles, just being nice."

In spite of all that, Ray has moved to Manhattan, where she is studying acting with **Lee Strasberg** and readying a nightclub act. She plans to tell a joke about **Richard Nixon's** effort to replace **Rose Mary Woods**. He wanted, it seems, "someone who could erase 120 words per minute."

By day, Stuntman **Evel Knievel** prepared for his next extravaganza, a 40,000-ft

jump into a haystack—sans parachute. By night, he rested up in his cell at the Los Angeles County Jail, where he was serving a six-month sentence for attacking a writer with a baseball bat. Such an arrangement was sanctioned by California's "work-furlough" program. But the daredevil's habit of riding to and from jail in a chauffeur-driven Stutz convertible—and offering Cadillac limousine service to his fellow inmates "as a gesture of friendship"—irked the authorities. After Knievel returned five hours late one night, he lost his work-furlough status during the four remaining months of his sentence, and his chances of parole. "This is the way it should be," Knievel responded. "What I did was against the laws of society, but I did it and I'm willing to serve the penalty for it."

It sounds like a novel: a Texas oil tycoon with a wife and children conceals his identity and bigamously marries



Knievel returns to jail



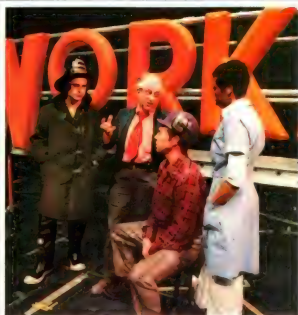
Lucid becomes an astroperson

a woman from Tampa, Fla. Nine years later, she finds out about the other family, leaves the oilman, and eventually signs an agreement to keep quiet in return for a \$100,000 payoff and another \$2,000 per month. Such was the story told in a Shreveport, La., courtroom by **Frania Tye Lee**, 73, who married **H.L. Hunt** in 1925, believing he was a "Franklin Hunt." In a lawsuit, Lee asked to be recognized as Hunt's onetime wife, and sought half the wealth he had accumulated during their nine years of marriage. (His worth, which was estimated at \$2 billion at his death in 1974, was about \$15 million when they parted.) Why had she signed an agreement in 1942 to hush up the

matter? "Women in love are not philosophers, nor do they know about the law," she told the court. Before the case went to the jury, lawyers for the Hunt estate and Lee came to an out-of-court settlement. The reported terms: \$7.5 million for the complainant.

For a woman with her feet planted firmly on the ground, **Shannon Lucid** has taken an extraterrestrial step. The research associate at the Oklahoma Medical Research Foundation is now an astronaut candidate, one of the first six women selected by NASA for that honor. (Three blacks and a Japanese American were also among the 35 new candidates chosen last week.) "I pre-date Sputnik and was interested in space as a child," says Lucid, 35, who is married to a chemist and the mother of three. Beginning next July, Lucid and the other astronauts will undergo two years of basic training in Houston, then prepare to join a space-shuttle crew. "I never doubted that I could be as competent as anyone in space," shrugs Lucid. Her galactic goal: a solo walk in space.

The invitations, suitably enough, arrived in a brown paper bag. They were for the Chicago opening of a musical based on *Working*, Author **Studs Terkel's** 1974 bestseller. Directed by Composer **Stephen Schwartz** (*Pippin*, *Godspell*), the play is a working man's *Chorus Line*-telling, in separate episodes, the stories of such characters as a steelworker, a supermarket checker, a teach-



In Chicago, Terkel takes five with cast members of *Working*

er, a switchboard operator and a parking-lot attendant. The cast exuberantly hauls around ladders, scaffolds and dollies to tunes written for the show by **James Taylor** and others. The message? Says Terkel, whose book was based on 135 taped interviews: "Working people are brighter than we think. Their jobs may be drab, but they transcend them." Terkel is beginning another oral history about "more intangible things, what happens to our dreams as kids, illusion and disillusion." The title: *American Dreams: Lost & Found*.

"O.K., Tom Tiescore, bases loaded, two out, ninth inning, full count. Let's see what you got," barks the Red Sox' greatest slugger, **Ted Williams**. Cincinnati Reds Star Hurler **Tom Seaver** tosses a pitch, and Terrible Ted trots calmly to first base. The scene at Williams' alma mater, Hoover High School in San Diego, will air in the spring on the syndicated TV show *Greatest Sports Legends*, to which Seaver is playing host this year. At lunch in Manhattan to pitch the show, Williams, 59, who in his heyday earned \$125,000 a year, defended today's well-bankrolled athletes, like, say, the \$500,000-plus-a-year **Reggie Jackson**. "I'm envious," sighed the Kid. "I wish I'd a bit more business sense when I was playing."

On the Record

Emmylou Harris, country rock singer, describing the album she will make with Dolly Parton and Linda Ronstadt: "We will aim for some things people might not expect us to do. We will put it in the big Cuisinart and see what comes out."

Michael Noakes, one of Britain's royal portraitists, describing the travails of painting Elizabeth II. "Once she has chosen a pose, it's difficult to know how much one can ask her to modify it. Can you say 'Put more weight on the other foot' to the Queen?"

Harry Bridges, retired president of the International Longshoremen's Union, talking about accepting help from Communist groups for the 1934 West Coast waterfront strike: "We wasn't fancy. We'd take support from anywhere we could get it."

Meldrim Thomson Jr., New Hampshire's arch-conservative Governor, on why he turned down an invitation to visit the People's Republic: "I will take no part in giving aid and comfort to Communist China by lending the prestige of Governor for a baby-carriage guided tour of the enemy's homeland."



Seaver and Williams make a pitch for *Greatest Sports Legends*



Snow outlines Lake Placid's newly completed speed-skating oval and smooths the way for bobsledders on nearby Mount Van Hoevenberg



Environment

Avalanche over Lake Placid?

To a peaceful village, the Olympics promise crowds and turmoil

Lake Placid, N.Y., which played host to the Winter Olympics of 1932, has been chosen again for the 1980 Games. And after years of decay and decline, the little (pop. 2,800) Adirondack village is already experiencing a boom that could change the nature of the town forever. TIME Correspondent Peter Stoler reports:

As early as 6 a.m., trucks and bulldozers start rumbling out along Route 86, breaking the winter silence. Hard-hatted construction workers, wrapped to the ears in wool and goose down, are sawing, hammering and pouring concrete. Land speculators in search of property have driven prices as high as \$5,000 for a one-

acre building lot. Money is just starting to flow in, but it gives every sign of becoming an avalanche.

Lake Placid's efforts to bring back the Olympics began in 1973, when local voters approved the idea in a referendum. Congress and President Ford pledged their support the following year. The International Olympic Committee then designated Lake Placid as its choice and also approved Lake Placid's plan to keep the Games within a limited frame.

Other countries had long been trying to outdo one another with increasingly elaborate and expensive Olympic facilities. At Innsbruck, Grenoble, Sapporo. Six years ago, however, after Denver was named for the 1976 Olympics, environmentalists organized opposition, and Colorado voters finally rejected the Games. The Lake Placid Olympic Organizing Committee then decided to reverse the trend. "We could all see the writing on the wall, see that the Games were pricing themselves out of reach for many countries," explains IPOOC President Ronald M. MacKenzie, 75, a former skier and speed skater who was also a member of the 1936 U.S. Olympic bobsled team. "What we're trying to do is give the Games back to the athletes."

Of all the places to do this, Lake Placid is one of the most natural. Home of many world-class skaters and skiers, the village has more than an Olympic heritage; it also has many of the physical elements necessary for the Games. Nearby Mount Van Hoevenberg boasts North America's only bobsled run plus Olympic cross-country skiing courses. Neighboring Whiteface Mountain rises 4,867 ft.,

and its icy trails can test the knees and nerves of any Olympian. Moreover, the village still has, and uses, the ice arena built for the 1932 Games.

To get ready for 1980, Lake Placid is using \$58 million in federal money and \$13 million in state funds to upgrade old facilities and build some new ones. The plan calls for installing refrigeration on the bob run, providing snowmaking equipment up to the top of Whiteface, and refurbishing and expanding the ice arena.

It also calls for some new construction. Work has just been completed on a 400-meter speed-skating oval next to the arena in the center of the village. Two towers, one of them soaring 284 ft. into the air, have been built for the 90- and 70-meter ski jumps. Construction also has started on a complex to house 1,800 athletes. Once the Games are over, the athletes' village will be converted into a minimum-security federal prison that should



Speed skater trying out new ice oval
No white elephants.



1976 Medalist Sheila Young with daughter
Giving the Games back to the athletes.

provide jobs for some 200 local residents. "Every facility here will have a viable afterlife," says MacKenzie in an obvious reference to the \$80 million athletes' housing that has stood empty since the 1976 Summer Olympics in Montreal. Like many an Olympic planner before him, MacKenzie promises: "We're not building any white elephants."

The impact of these projects on Lake Placid has been enormous. Winter unemployment in Essex County often runs as high as 20% of the work force. This year more than 200 people from the area are employed in Olympic construction, which has, according to Project Manager Ramon Lopez, brought \$1.6 million in wages into the region since last spring. Northern New York companies have also benefited, winning 32 of the 38 contracts totaling \$25,212,370 awarded by competitive bidding so far.

Most residents of Lake Placid are enthusiastic about the Olympics and pleased at the prospects the Games could provide. "People are really excited," says Sheila Young Ochowicz, 27, a now retired speed skater who won gold, silver and bronze medals at the 1976 Winter Games in Innsbruck. "The competitive facilities are all first-rate, and they're a lot closer together than things were at Innsbruck."

Not everyone agrees that the Games are good for Lake Placid and the Adirondack area. The Adirondack Park Agency and other environmentalists objected to any construction that would detract from the purity of the north country's wooded wilderness. Most of their complaints were taken care of by Olympic planners, who note, as one of them said, that "we live in the Adirondacks too." But the environmentalists are still unhappy about one aspect of Olympic construction: the jump towers are clearly visible from the small farm where Abolitionist John Brown's body lies amoldering in its grave.

Many environmentalists—and more than a few locals—question the ability of the Games' organizers to provide housing and transportation for the 3,000 or more officials, journalists and dignitaries who are to be accommodated in the village itself—let alone handle the 40,000 spectators expected to watch the competitions each day.

Nor are these the only complaints. Some villagers—pointing out that land prices have risen fivefold in the past three years—are worried about the Olympics bringing inflation. "We'd better not get used to this boom," says one villager. "It won't last."

Despite these reservations, however, most of the people in Lake Placid are working hard to make the Olympics a success in the hope that the Games will boost the village's tourist trade in the years to come. Their efforts are understandable: The village's first Olympics in 1932 put Lake Placid on the country's winter sports map; the 1980 Games could change the map itself. ■



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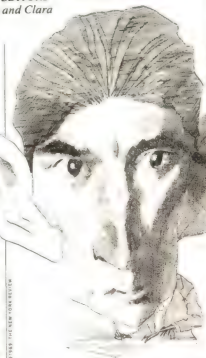
Books

Genius of the Blackest Impulses

LETTERS TO FRIENDS, FAMILY AND EDITORS
by Franz Kafka; translated by Richard and Clara
Winston. Schocken; 509 pages; \$24.50

WH Auden once wrote: "Had one to name the author who comes nearest to bearing the same kind of relation to our age as Dante, Shakespeare and Goethe bore to theirs, Kafka is the first one I would think of." Kafka has achieved a peculiar sort of extended immortality, alive not only in his books but also as an idea, an item of vocabulary employed by people who never read a phrase he wrote. It is an odd fate for the haunted functionary of the Workers' Accident Insurance Institute in Prague: his magnificent hallucinations have collapsed in the public mind to the scale of a worn-out adjective—one that turns the Beelzebub he implied (totalitarian bureaucracy, the Holocaust, the Gulag) into something only slightly more menacing than the Cookie Monster. "Oh, wow," protests the 17-year-old asked to prove she is old enough to drink. "That's really Kafkaesque."

No one was more Kafkaesque than the original. His dying wish was totalitarian. Before he was finally killed by tuberculosis in 1924, he entreated his friend Max Brod to burn his books—to destroy the unpublished masterpieces (*The Castle*, *The Trial*, *Amerika*) that posthumously raised his estate from weird minor tal-



Caricature of Franz Kafka by David Levine
Nightmare of uncanny relevance.

Excerpt

“Sometimes a naïve person will wish, ‘I would like to be dead and see how everyone mourns me.’ Such a writer is continually staging such a scene. He dies (or rather he does not live) and continually mourns himself. From this springs a terrible fear of death... he has a terrible fear of dying because he has not yet lived.... In reply to this, one might say that this is a matter of fate and is not given into anyone’s hand. But then why this sense of repining, this repining that never ceases? To make oneself finer and more savory? That is a part of it. But why do such nights leave one always with the refrain: I could live and I do not live. The second reason—perhaps it is all really one, the two do not want to stay apart for me now—is the belief: ‘What I have playedact is really going to happen. I have not bought myself off by my writing. I died my whole life long and now I will really die. My life was sweeter than other people’s and my death will be more terrible by the same degree. Of course the writer in me will die right away, since such a figure has no base, no substance, is less than dust. He is only barely possible in the broil of earthly life, is only a construct of sensuality. That is your writer for you. But I myself cannot go on living because I have not lived. I have remained clay. I have not blown the spark into fire, but only used it to light up my corpse.’ It will be a strange burial: the writer, insubstantial as he is, consigning the old corpse, the longtime corpse, to the grave. I am enough of a writer to appreciate the scene with all my senses, or—and it is the same thing—to want to describe it with total self-forgetfulness—not alertness, but self-forgetfulness is the writer’s first prerequisite. But there will be no more of such describing. But why am I talking of actual dying? It is just the same in life. I sit here in the comfortable posture of the writer, ready for all sorts of fine things, and must idly look on—for what can I do but write?”

ent working in the ruins of Austria-Hungary to premonitory genius of the century’s blackest impulses. Brod of course refused; it remained for both the Nazis and the Soviets to suppress Kafka’s works—a neat case of reality confirming the artist’s point.

Kafka was fairly prolific in his 41 years: besides his major novels and some 30 stories, he left two volumes of revealing, intensely personal diaries. His *Letters to Milena* and *Letters to Felice*, two women he loved, have already been printed, as well as the 1919 *Letter to His Father*. *Letters to Friends, Family and Editors* brings together his remaining correspondence. It is, presumably, the last to be heard from Kafka.

All through his letters, even when the writer seems almost cheerful and (for him) sociable, one feels his strange, alarming spirit. Sometimes, it is Germanically heavy with melodrama. “Writing is a sweet and wonderful reward,” he writes Max Brod in 1922, “but for what? In the night it became clear to me, as clear as a child’s lesson book, that it is the reward for serving the devil. This descent to the dark powers, this unshackling of spirits....”

The majority of letters are written from sanitariums that Kafka inhabited with restless, despairing frequency during his last years. The eerie, lucent prose quickens into something like paranoia. Kafka fights for sleep: “Enemies everywhere... Two hundred Prague schoolchildren have been quartered here. A hellish noise, a scourge of humanity.” Not quite whining, he painfully records the rise and fall of his temperature, the coughs, the catarrhs, the betrayals in his body, the bats in his soul. “The phantoms of the night,” he says, “have tracked me down.” Earlier: “The physical illness is only an overflow of the spiritual illness.” Kafka is both physically and metaphysically in touch with death, as if some thin, tight wire were strung from here to there, and made lovely, disturbing sounds. It is distressing to monitor his illness for so long. One knows not only that Kafka’s death must arrive in 1924, but also what will come of his larger presentiments: Kafka’s three sisters will all die in concentration camps, the Nazis’ extension of what Kafka imagined.

Still, there are moments when the writer practically dithers with good-hearted advice to lovelorn friends. At such times, he seems rather sweetly engaged in life’s daily emotional traffic, even though Kafka was aware that he could never experience what Thomas Hardy called “the wonder and the wormwood of the whole.”

Kafka’s spirit was as precise as hallucination, but triply or quadruply removed, adrift, isolated: a German-speaking Jew living in Prague in the twilight

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Tom Collins 1½ ozs. Gordon's Gin, juice of ½ lemon. Pour over ice in highball glass. Add sprinkle of powdered sugar. Fill with soda. Stir. Decorate with orange slice and cherry.

Salty Dog 1½ ozs. Gordon's Gin over ice cubes in old-fashioned glass. Fill with 3 ozs. grapefruit juice. Add dash of salt.

Rickey 1½ ozs. Gordon's Gin, juice from ½ lime with rind into highball glass with ice cubes. Fill with soda water. Stir.

Daisy 1½ ozs. Gordon's Gin, teaspoon of grapefruit juice of ½ lemon, ½ teaspoon powdered sugar. Stir contents over ice cubes in highball glass. Add soda water to fill.

Ginade 1½ ozs. Gordon's Gin over ice cubes in highball glass. Fill with lemonade. Stir. Add lemon slice.

Bellmont ½ oz. cur.



Citrus ½ oz. each sweet vermouth, brandy in highball glass. Fill with grapefruit and lemon peel twist.

Pink Gin Sprinkle several drops of bitters into empty on-the-rock glass around the glass, remove ice cubes and 2 ozs. Gordon's.

Gin & Cola 1½ ozs. Gordon's glass over ice cubes. Fill with of lime.

Highball 1½ ozs. Gordon's glass filled with ice. Twist in lemon peel. Pour on ginger.

TV Special 1½ ozs. each orange juice, over ice cube. Fill glass with ginger ale.

Lady Shake 2 ozs. Gordon's Gin, 1 oz. Cointreau, ½ oz. lemon juice. Shake well over ice cubes. Strain and serve in cocktail glass.

Gin Bloody Mary 1½ ozs. Gordon's Gin, 3 ozs. tomato juice, juice of ½ lime wedge. Stir well over ice.

Hawai 1½ ozs. Gordon's Gin and 3 ozs. pineapple juice over ice cubes in highball glass. Add cherry.

Dry Martini 4 or more parts Gordon's Gin, 1 part dry vermouth. Stir well in pitcher over ice. Strain into chilled cocktail glass or over rocks. Option: Add lemon peel twist, olive, pearl onion.

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Gin Sour 1½ ozs. Gordon's Gin, juice of a half lemon, ½ teaspoon sugar. Shake with cracked ice. Strain into chilled sour glass. Add splash of soda. Garnish with orange slice and cherry.

Gimlet 8 ozs. Gordon's Gin, 1 oz. sweetened lime juice. Stir well over ice. Strain into cocktail glass.

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Gordon's and Squiri 1½ ozs. Gordon's Gin over ice in highball glass. Fill with Squiri® grapefruit soft drink.

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Books

of the Austro-Hungarian Empire, emotionally overpowered by his father. Interesting, if futile, critical combats have been waged over the question of whether Kafka was merely a talented neurotic or a visionary genius. Edmund Wilson wrote in 1950: "Kafka is being wildly overdone . . . The trouble with Kafka was that he could never let go of the world—of his family, of his job, of his yearning for bourgeois happiness—in the interest of divine revelation, and that you cannot have a first-rate saint or prophet without a faith of a much higher potential than is ever to be felt in Kafka."

Thirteen years later, the critic George Steiner countered: "Kafka's nightmare-vision may well have derived from private hurt and neurosis. But that does not diminish its uncanny relevance." As Steiner elaborated, Kafka "was, in a literal sense, a prophet . . . He saw, to the point of exact detail, the horror gathering. *The Trial* exhibits the classic model of the terror state. It prefigures the futuristic sadism, the hysteria which totalitarianism insinuates into private and sexual life, the faceless boredom of the killers. Since Kafka wrote, the night knock has come on innumerable doors."

Technology—nuclear weapons, microcomputers, killer satellites—may have rendered some of Kafka's nightmares obsolete. And we have lived so long with the absurd, retailed for so many years by so many depressing Frenchmen, that it bores us. But Franz Kafka's works still serve the primary function he described in a 1904 letter to his friend Oskar Pollak: "A book must be the axe for the frozen sea inside us." —Lance Morrow

Leftovers

REFLECTIONS WITHOUT MIRRORS:
AN AUTOBIOGRAPHY OF THE MIND
by Louis Nizer

Doubleday: 469 pages, \$10.95

Ask a fan what the great American sport is, and he will probably give one of three answers: football, baseball or basketball. In each case he would be wrong. The true national sport is the law, and the contest Americans love best is the one in the courtroom, where lives are at stake and vast sums can be won or lost on a lawyer's forward motion.

The Howard Cosell of the legal game is Louis Nizer, 75, a distinguished New York lawyer whose repertoire can make the driest case read like *The Caine Mutiny*, *Court Martial*. Two previous books based on his own courtroom experiences, *My Life in Court* and *The Jury Returns*, were longtime bestsellers. Nizer represented Journalist Quentin Reynolds in a successful libel suit against Columnist Westbrook Pegler, and the account was exciting enough to be made into a Broadway play and a TV drama. The present volume suffers greatly by comparison.

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Books



Author-Attorney Louis Nizer

The true national sport is the law.

Part autobiography, part a philosophical guide to the law, it is mostly leftovers, with only a few fresh morsels to offer.

One of the most interesting chapters, naturally enough, involves the Kennedys, and it will not be pleasant reading for their hagiographers. In the early '60s, the Justice Department, under Attorney General Robert Kennedy, began investigating an old family friend, Publicist Igor Cassini, for his supposed failure to register as a foreign agent. Cassini, who wrote a gossip column for the Hearst papers under the name Cholly Knickerbocker, was suspected of illegally representing the Dominican Republic and Dictator Rafael Trujillo in the U.S. Perhaps because of his family's friendship with Cassini, Bobby Kennedy pursued him with extraordinary ferocity, afraid that he and his brother would otherwise be accused of favoritism.

In fact, says Nizer, the Government's case was based on a suspicious but innocent transfer of funds between the man who did represent the Dominican Republic and Cassini. Any jury, he says, would have found for the defendant. Nizer pointed out the flimsiness of the Government's position to Jack Kennedy, who was shocked when Cassini's wife cracked under the strain and killed herself. Both Jack and Joe Kennedy urged mercy for Igor, but Bobby persisted. Finally, Nizer realized that Bobby had gone so far as to have the FBI tap his phone conversations with his client. "I was stunned," he writes, "by this violation of law by the Attorney General in the course of trying to prove a violation by Igor... I had to curb my impulse to tell him just what I thought of his tactics and venom. But always in such moments, the lawyer's thoughts must be of his client. I would injure Igor if I 'broke'.

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Books

with Bobby. A lawyer can afford to be emotional on behalf of his client, but not to his injury." Eventually, Nizer's patience won the case, or most of it. The Justice Department dropped three indictments, and Cassini pleaded no contest to the fourth, a relatively minor one. He was fined \$10,000 and placed on six months' probation.

Like all good lawyers, Nizer has spent as much time talking clients out of lawsuits as he has trying to win them. "Legal warfare is expensive and harrowing," he says. "It should be resorted to only when there is real damage, not merely high sensitivity to a slur." He advised Lyndon Johnson against suing the *Saturday Evening Post* for putting words into his mouth, and dissuaded the late Jacqueline Susann from taking on Truman Capote for suggesting that she looked like "a truck driver in drag." "She wished revenge," Nizer recalls. "She wanted to see the day when 'the little worm would squirm under cross-examination.'" Capote replied that his comment was bitchy, but not a libelous attack. Nizer counseled restraint and, eventually, Susann let the matter drop.

Louis Nizer might have been equally well advised to let other matters drop. Charming in parts, fascinating on occasion, *Reflections Without Mirrors* is, at 469 pages, too much, and yet not enough. The author-attorney has given his best before, and, like all writers of sequels, he now finds his stock depleted. Other lawyers will no doubt remain attentive throughout, but the jury—the ordinary reader—may render a less favorable verdict.

—Gerald Clarke

Sea Changes

THE THIN EDGE

by Anne W. Simon
Harper & Row; 180 pages; \$10

This spring, oil hunters will begin probing the Baltimore Canyon, an ocean-floor site off Atlantic City, N.J. They hope to find 1.4 billion bbl. of oil and nearly 10 trillion cu. ft. of natural gas that may lie beneath the continental shelf. Most energy-hungry Americans hope the oilmen find what they are looking for. Anne Simon will be satisfied if they do not make what she considers a bad situation even worse. A veteran coast watcher, Simon has already written an impassioned plea for the preservation of Martha's Vineyard. In her newest book, she appeals just as ardently for an end to the steady destruction of the world's coastlines.

A seasonal resident of Martha's Vineyard, Simon opens her elegant little book with a look at some of the coastline's natural systems. Sand, she writes, is the basic ingredient of most coasts, and though it appears insubstantial, plays a major role in buffering the land's boundaries from the pounding of the sea. "Sand meets wa-

ter's force with its natural tendency to move," observes Mrs. Simon. "Its soft answer turns away the sea's wrath." Wetlands—marshes, swamps and coastal grass—also play a part, nourishing everything from birds to bivalves. They also stabilize shores, absorbing flood water, releasing it slowly, and in the process protecting the land behind them.

These fragile systems are under constant threat. And the situation could further deteriorate as searchers probe the ocean for oil. The fields that may soon be opened in the fertile fishing grounds of Georges Bank, writes Mrs. Simon, will have a 20-year life, during which there is a 91% chance of at least one major spill and near certainty that there will be more than 1,700 "nickel-and-dime" disasters. The public, she laments, seems unconcerned. "The trade-off is almost made—a viable coast for the plunge offshore, for a few more moments of twilight before the oil lamp goes out, for prolonging the ocean-sink concept until some version of Black Mayonnaise hits us in the face, the nostrils or the gut."

In the '60s such environmental polemics were common and often overstated. Mrs. Simon is quiet and less acrimonious. She makes it clear that the seas and coastlines need not die. She hails the invaluable work that has been done to preserve New York's Jamaica Bay and California's San Francisco Bay, and she applauds new environmental laws aimed at halting destruction of wetlands, banning offshore dumping, regulating shoreline development. But, she warns, even these are not enough. "The record of our action allows some hopes that there may still be flocks of birds flying low over the shore in the 21st century, some hopes for seafood in our diet," writes Mrs. Simon. "But not many." Hers is a tocsin that cannot be sounded often enough.

—Peter Stoier



Ecologist Anne Simon
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THE WINGS OF MAN

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Religion

Homosexuality and the Clergy

A Presbyterian task force proposes a policy of toleration

Over 20 centuries, all branches of Christianity barred openly committed homosexuals from the clergy and from lay offices. Virtually all major U.S. churches still do. But the increasingly organized and vocal campaign by homosexuals to be treated just like everyone else poses particular problems for Christian churches. Their creed commands brotherhood and forgiveness, but it also obliges them to defend specific standards of conduct based on the Bible.

This week an official task force designated to study the problem is proposing that the 2.6 million-member United Presbyterian Church become the first denomination to adopt a policy of toleration. The gist of its findings: there is no reason in principle to deny ordination to a "self-affirming practicing homosexual Christian," even one who is "open to" or involved in "full companionship or partnership with a person of the same sex." The new proposal would make it possible for any local congregation to employ a homosexual if it wished. The church's various presbyteries (regional associations) must approve all clergy hiring, and would be free to accept homosexuals, or reject them, without any constraint from the national denomination.

The proposal is certain to produce a fire storm of argument among the not-so-United Presbyterians across the country. The final decision will rest with the church's annual General Assembly scheduled for May 16-24 in San Diego. What happens there is likely to influence the separate Southern Presbyterian church and the four U.S. Protestant churches (with 16 million members among them) that have also begun to address the question.

The task force was chaired by Rochester, N.Y., Laywoman Virginia Davidson, wife of a retired Kodak executive and mother of four. The members, selected to represent various views in the church, included an openly homosexual young alumnus of Yale Divinity School and Historical Theologian Richard Lovelace, an articulate conservative from Gordon-Conwell Theological Seminary in Massachusetts. With typical Presbyterian thoroughness, they prepared a 198-page report that examines psychological data, social currents and especially the 13 Bible passages that deal with homosexuality.

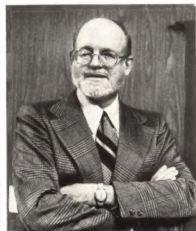
The task force reached an agreement that secular society should forbid job discrimination against homosexuals and repeal laws that regulate the private sexual behavior of consenting adults. It urges the church to work against "homophobia," the fear and loathing of homosexuals. But

agreement only went so far. A conservative minority, consisting of Lovelace and two other theologians, an expert in ethics and a local pastor, filed a 19-page report. It urges the forthcoming General Assembly to interpret the church constitution as banning practicing homosexuals from the clergy and the lay offices of elder and deacon, though accepting homosexuals who remain celibate.

After considerable research, both sides concluded that most homosexuality is not the result of conscious choice and

has chosen to redeem and sanctify these particular persons within the framework of their homosexual condition."

In a strong dissent, the minority report rejects the idea that "the Holy Spirit contradicts in our experience what He has clearly said in the whole fabric of Scripture." It considers the male-female distinction part of God's design to make human life coherent, concluding that homosexuals have a "distorted or insufficient belief in who they are." Even though all Christians sin in various ways, the minority felt that the church cannot afford to condone a practice that the Bible so clearly rejects: "Neither laypersons nor ministers are free to adopt a life-style of continuing, conscious, habitual and un-



Conservative Theologian Richard Lovelace; Liberal Task Force Leader Virginia Davidson

Dramatically different views of the Bible and human behavior.

that it stems more from an unexplained complex of psychosocial forces than from heredity. The liberal side relied heavily on psychological theory, while conservatives pointed out that scientific findings are fluid and conflicting. Finally, however, both the majority and minority sides staked their case on the Bible. The two passages that drew most attention were the condemnation of homosexual relations in *Leviticus 18:22* (repeated in *20:13*) and St. Paul's teaching in *Romans 1:18-32* that homosexual acts are sinful. Disagreement about how to interpret them was the logical outcome of two general views of the Scripture that exist in the theologically divided church.

Like many modern Bible scholars, the liberal majority decided that these verses merely express the opinions of the Jewish priestly writers and Paul, who were "conditioned by time and place." Consequently, their logic runs, such teachings are not direct revelation from God and modern Christians are free to change their views. If homosexuals evidence Christian virtues, "we are led to believe that God

restricted sin in any area of their lives." Homosexual ordination, they agreed, would "set in motion both within the church and in society serious contradictions to the will of Christ."

No one knows which point of view will prevail among the 650 delegates who go to San Diego. Some conservatives are already talking about an emergency meeting this summer and the possibility of withholding money from the denomination or even of schism, if the liberal policy passes. Liberals believe the church can no longer ignore the fact of homosexuality and the anguish of those homosexuals who are Christian believers. For conservatives, including the growing Evangelical forces and many adherents of the waning neo-orthodox theology, the policy on homosexuality is crucial in ways that go far beyond the question of whether homosexuals are permitted to join the clergy. Since the Bible is so explicit, they wonder if the church will have any biblical basis for imposing any restrictions on human behavior if it votes moral acceptance of active homosexuality. ■

Time Essay

America's New Sentimental Journey

The signs are everywhere, and proliferating. Some of them are trivial but telling; others seem to reflect yet another shift in the national mood and the social mode. If the signs are to be believed—and sociologists are sure to debate their significance—the cool-hip chic that has held sway since the 1960s, with its scorn of sentiment and its do-your-own-thing code, is giving way gradually to something suspiciously like a new romanticism. Says Psychologist Sol Gordon, professor of child and family studies at Syracuse University: "Americans no longer want to be cool; they want to be hot."

The pronounced American yen for romanticism and sentiment has surfaced intermittently in one place or another for several years now, but it is finally blooming in virtually every zone of the social spectrum, in folkways and cultivated appetites, among middle-brows and high-brows alike. Take America's dance floors—often a useful symbol of how people view themselves. Partners are touching each other again, and dancing to music that is meant to have them do just that, such as the marvelously variable hustle. Extraordinarily, the old-fashioned, dress-up tea dance has returned from oblivion to become a popular mixer all over the country—a departure, to say the least, from the meat-market atmosphere of the singles bars. The disco scene has grown generally less barbarous, and is now in retreat from the narcissistic solo gyrations that became fashionable in the early '60s. The most phenomenal pop-song hit of the season? That saccharine hymn to a sweet-heart, *You Light Up My Life*.

In fact the relationship between the sexes, so buffeted by the feminist movement, seems once again to be taking on some subtlety and civility. Men are sending women flowers in greater numbers, the florists say, than at any time in the past decade and are regaining some of the manners that they felt superfluous when faced with militant wives or sweethearts. Women today are less apt to dress like sodbusters on a holiday, and frilly dresses, flouncy skirts, ruffled underskirts, lace, gauze blouses—as feminine as possible—have returned to everyday fashion. Advertisements heralding coming spring fashions ooze lyricism, and sentimental trinkets and totems are booming. "Everyone is into hearts," says a Chicago shopkeeper. "The same way they were into peace symbols a few years ago."

The country's freshly romantic disposition is to be found in the worlds of symphony, opera and ballet; increasingly audiences have cooed on experimental and abstract works while warmly receiving new performances of old favorites such as Brahms' *Second Symphony*, *Carmen* and *Swan Lake*. The mood of the attergoers was dramatized neatly on Broadway when an effort to revive *Hair* fizzled dismally with critics and public alike, while *Man of La Mancha*, with all its improbable visions, came back successfully to run alongside such other hits as the shamelessly treacly *Annie* and Neil Simon's latest domestic frolic, *Chapter Two*. Movie fans are in tune too: having rejoiced not long ago over a fable of apocalypse like *Dr. Strangelove* and a parable of triumphant evil like *Easy Rider*, they are today cheering over a heart-grabbing fable like *Rocky* and a simple-minded parable of

triumphant good like *Star Wars*. Certainly the romantic mood appears, if somewhat dissembled, in the reading habits of the American woman; after years of listening to liberationists, she is devouring the adventures of subjugate female heroines in the heavy-breathing epics of writers like Kathleen Woodiwiss (*Shanna*) and Rosemary Rogers (*Wicked Loving Lies*). The hot market for romantic novels has publishers gurgling with joy.

Indeed, nobody peddling romance in any form seems in grave risk of unhappiness these days. Even books on sex seem to sell best when "joy" is part of the title, and a gossamer tale of juvenile heartbloom and heartbreak called *Happy Days* is one of the strongest-running sitcoms on the tube. Weightless romance, to be sure, has always been a TV staple, but now the lovelorn soaps have gained such a galvanized following among old and young that television can spoof itself with an unsavory parody of the genre called *Soap*. Public TV found out not long ago that it could gather its most zealous audience ever with the quality soap opera called *Upstairs, Downstairs*. Many radio stations, meanwhile, have discovered that it is possible to ignore rock and develop sizable audiences with the schmaltz of Barry Manilow or the mellow golden oldies of Tommy Dorsey, Glenn Miller and the like.

In the real world, clubs and restaurants are dimming the lights more than ever, and many such spots have provided the stages for the big continuing renaissance of jazz. As Benny Goodman once said, "Jazz is romantic." But these days one might ask: What is not?



Two take a spin at tea dance in Boston

America's new sentimental journey, believes Psychologist Gordon, may spring from the active efforts of many Americans to find something better than "the depersonalization of sex and relationships" that has occurred in recent years. Others think that, in some mysterious way, it is related to a conservative trend in national politics; even Jimmy Carter, with his homespun ways, kissin'-cousin courtliness and studied gentility, is given credit for restoring some sentiment to the land. To many, the search for form and formality,

the yearning for tradition and sentiment, are part of the mysterious emotional process by which the nation is healing itself from the bruises and fatigue accumulated during recent years. Those years produced, in numbing succession, the civil rights upheavals, riots, assassinations, the Viet Nam War, Watergate, oceans of porn and a life-style whose followers were seldom tempted to distinguish self-indulgence from self-realization.

It is easy to challenge the description of the current mood as a return to romance, if only because America's essentially romantic character has never really been in abeyance. Even in a basically romantic country, however, romanticism has its highs and its lows, and right now it is flying high. Besides, what happier condition can visit a land whose national ideals and myths are known as the American Dream? Ah, perhaps that is it, the exact word to describe the new sentimental journey on which the U.S. appears to have embarked: dream. Americans have finally begun to dream again—and high time too, after nearly a generation of nightmares.

—Frank Trippett

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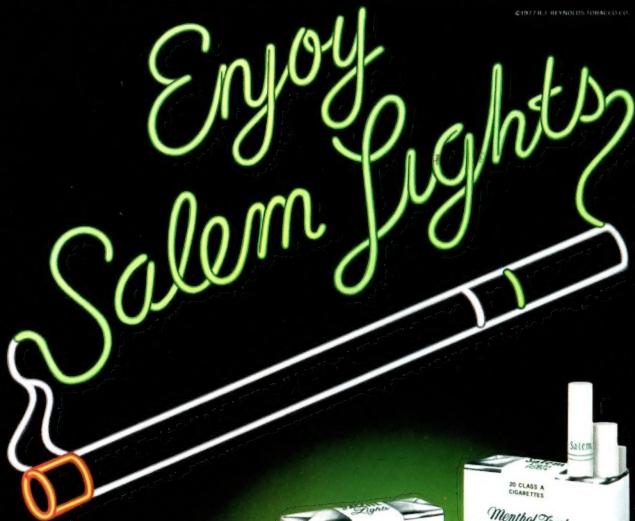
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